

**A STUDY ON DECISION MAKING PROCESS ON
TELEVISION PURCHASING IN KATHMANDU VALLEY**

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CHAPTER – I

INTRODUCTION

1.1 Background of the Study

Every day, each of us makes numerous decisions concerning every aspect of our daily lives. However, we generally make these decisions without stopping to think about how we make them and what is involved in the particular decision making process itself. In general terms, a consumers' decision-making process is the selection of an option from two or more alternatives choices. In other words, for a consumer to make a decision, a choice of alternatives must be available. Not all consumers' decision making situation require the same degree of information search. If all purchase decisions required extensive effort, then consumers' decision making would be an exhausting process that left little time for any thing else. On the other hand, if all purchases were routine, then they would tend to be monotonous and would provide little pleasure or novelty (Schiffman and Kanuk, 2002:12).

Consumers face several buying decisions everyday. Some buying decisions are simpler than others. The complexity of the buying process is affected by whether the product is of high involvement or low involvement. By involvement, we mean the degree of perceived relevance and personal importance that accompanies the choice.

In a high involvement purchase, the consumer is prepared to invest more time, resources, and efforts. In this situation, the consumer lacks full information about the product, the amount of money involved is large, the product has high social importance, and the product is perceived to give long run benefits whereas in a low involvement purchase, the consumer does not exert much time, resources, and efforts. In this situation, the consumer is comfortable with the amount of information he or she has about the product, the amount of money involved is small, the product has low social importance, and it gives short-term benefits (Koirala, 2057:15).

Generally, before making a proper buying decision, the consumer has to go through five stages of buying process, namely problem recognition, information search, evaluation of alternatives, purchase behavior and post purchase evaluation. This is summarized in the diagram below:



Figure 1.1: Stages of Buying Process

The initial stage of consumers' buying process is the need recognition and problem awareness and it occurs when a buyer becomes aware of the fact that there is difference between desired state and an actual condition. After becoming aware of the problem or need, the consumers (if continuing the decision process) searches for information regarding availability of brands, product features, sellers' characteristics, process and other relevant aspects. Duration and intensity of search efforts depends on buyers' experiences in purchasing and nature of the product to be purchased. During this stage, however, consumers has developed evoked set i.e. the set of brands of a product which the buyer actually consider while making a specific brand choice (Narayan and Markin, 1975:17).

Products in the evoked set are evaluated in the third stage of buying process. To evaluate the products in the evoked set, a consumer establishes a set of criteria to compare the products characteristics. Using the criteria and considering the importance of each, a buyer rates and eventually ranks the brands in the evoked set. If

the evaluation yield one or more brands that the consumer is willing to buy, consumer is ready to move on to the next stage i.e. purchase stage. During the purchase stage, consumer selects not only product or brand but also selects seller or store from which he or she will buy the product. The actual act of purchase occurs during this stage. But, not all decision process lead to a purchase; the individual may terminate the process prior to purchase. After purchase, a buyer starts to evaluate the product known as post-purchase evaluation. The outcome of the post purchase evaluation is either satisfaction or dissatisfaction, which feeds back to other stages of the decision process and influences subsequent purchase.

Though the consumers' buying decision process consists of five stages, all consumers' decision does not always go through all these five stages. The individual may terminate the process during any stages. This depends on the experiences of consumer involved in purchasing and the nature of the product he or she wants to purchase. Persons in high involvement decision process usually employ all stage of the decision process whereas those engaged in low involvement decision process may omit some of these stages. Whatever be the buying process, the basic objectives of any marketing program is to persuade consumers to choose a particular option over many other alternatives available in the market. In order to achieve this objective, it is very important to know about consumers' decision-making process involving prepurchase information seeking and integration of information to arrive at final purchase decision. Because, the development of effective marketing plans and strategies for any market rests on a proper knowledge of how consumers go about making purchase decision. Realizing this fact, business enterprises of advanced countries have carried out a series of research on consumer behaviors. But such practices of studying consumers' buying behaviors are rare in our country.

In order to understand the consumers' decision-making process for high involvement goods, several theoretical models have been developed in Western Countries namely Nicosia Model, Howard Sheth Model, Engel-Kollat-Blackwell Model, Sheth Family Decision-Making Model, Bettman's Information Processing Model and Sheth Newman Gross Model.

In Nepal, especially in urban areas, the adoption of many high involvement goods such as automobiles (cars and motorcycles), television sets, DVDs, refrigerators and other seems to be growing. Although no data are available about their adoption rates,

the growing traffic, increasing number of antennas on rooftops and growing number of video libraries are some indicatives of increasing adoption of some products. Unlike in the past, consumers have some options to choose from resulting in competition among retailers. As a result, the knowledge of marketing in general and consumers' decision making process for high involvement goods in particular, is gradually becoming essential to meet the challenges of growing competition in the market.

1.2 Focus of the Study

In order to understand the consumers' decision-making process for high involvement goods, several theoretical models have been developed in Western Countries. In Nepal, especially in urban areas, the adoption of many high involvement goods such as automobiles (cars and motorcycles), television sets, DVDs, refrigerators and other seems to be growing. Unlike in the past, consumers have some options to choose from resulting in competition among retailers. As a result, the knowledge of marketing in general and consumers' decision making process for high involvement goods in particular, is gradually becoming essential to meet the challenges of growing competition in the market. Here, an attempt has been made to study the consumers' buying process while purchasing under high involvement situation. Television set is chosen as the sample product because in a high-risk situation (financial or psychological) consumers are likely to be more careful in framing their purchase decisions. Considering the amount of money involved in the purchase of television sets, the risks involved can be argued to be considerable. In our product market situation, after cars and motorcycles, television sets is perhaps, a product, which is most risky and thus more involving.

1.3 Statement of the Problem

Just as consumers are different, the consumers' decision process is also different in nature. In order to understand the consumers' decision making process several theoretical models have been developed. But the applicability of these models of consumers' decision-making behavior developed in western countries in the context of Nepal is an important question. Since the applicability of these models in Nepalese market environment has some restrictions because product or market in Nepal are

characterized by scarcity and uncertainty of supply of products. Nepalese market environment are very different than those of Western Countries.

Although there may be a few proprietary market research studies conducted to solve specific problems of individual organizations, the results of such research are not available in public. Besides, this kind of research may have very little to do with the consumer decision-making process in general.

- i. What are the number and types of source of information used by the consumers under high cost goods purchase situation?
- ii. What are the information sources use frequency?
- iii. What amount of time do the consumers spend on pre-purchase information seeking?
- iv. What are the decisions making criteria used by the consumers in identification and evaluation of alternatives?
- v. What are the decisions making factors considered by the consumers while purchasing a durable product?
- vi. Is there is a relationship between the households' monthly income and the brand name?

1.4 Objectives of the Study

The major objective of this study is to examine the consumers' decision-making process for high involvement goods (television sets) in Kathmandu valley. Specifically, the researcher addresses the following research issues:

- i. To examine the sources of information used by the consumers under high involvement purchase situation.
- ii. To determine the amount of time spent by the consumers on prepurchase information seeking.
- iii. To examine the decision making criteria used by the consumers in identification and evaluation of alternatives.
- iv. To find out the decision making factors that are considered by the consumers while purchasing a durable product.
- v. To examine the relationship between the respondents' sex and their final decision making for high involvement goods.

- vi. To examine the relationship between the households' monthly income and the purchase of particular television brand.
- vii. To suggest and recommend on the basis of major findings.

1.5 Significance of the Study

The Nepalese market has been gradually turning into cutthroat competition. Different types of products with a large number of alternative brands are available in the market. In this context, the findings of this study are likely to be useful to several groups of people who are directly or indirectly concerned with the diffusion of knowledge about products or markets. Specifically, this study is likely to be useful to the following groups of individuals:

- i. **To the Marketers:** Marketers are concerned with the development of effective marketing program and strategy. So as to persuade the prospective buyer to choose particular products or brands, this kind of study is very useful to the marketers.
- ii. **To the Academicians and Researchers:** Academicians and Researchers are basically concerned with understanding how consumers make buying decisions. This kind of study in Nepal is likely to prove the foundation for basic research on consumers' buying behavior for high involvement goods in Nepal.
- iii. **To the Public Policy Makers:** Public Policy Makers are concerned with protection of consumer's interest in the market place. In Nepal, this objective becomes even more important than in developed countries due to low level of consumers knowledge and absence of independent agencies that provide objective information.

1.6 Limitations of the Study

Although various efforts have been made to research the objectives of the study, the following limitations can not be ignored.

- a) Primary data have been collected only from Kathmandu valley.
- b) This study covers only consumer decision making process on television purchasing.

- c) There may be innumerable factors showing some degree of relationship with consumer behavior but here only selected variables taken in to account.
- d) This research has completed in a short time span and money to complete as requirement of masters degree. Here only the variables like, product choice; brand choice; location, day and time for purchasing product, presence of product in market and their preference are taken into consideration.
- e) It is hard to do research on many high involvement goods one at a time, therefore only television is taken into consideration. Therefore this research does not guarantee that same finding will be applicable for other goods like washing machine, refrigerator etc. buying pattern too.

1.7 Organization of the Study

This study has been divided into five chapters namely Introduction, Review of Literature, Research Methodology, Data Presentation and Analysis and Summary, Conclusion and Recommendations.

The first chapter that i.e. introduction focuses on the explanation of consumers' decision making process regarding high involvement goods. It introduces the research problems and objectives as well as points of the significance of the study.

The second chapter, review of literature, includes the study of various literatures relevant to this study and also review of previous studies.

Research Methodology is the third chapter of this study. In this chapter research design used to conduct this study, population, sampling and data collection method are described.

Similarly, presentation and analysis of data, as the fourth chapter, involves presenting, tabulating, analyzing and interpreting the primary and secondary data collected in order to attain the objectives of this study.

Finally, the fifth chapter summarizes the whole study, derives conclusions there from and provides recommendations and further research directions.

CHAPTER - II

REVIEW OF LITERATURE

Consumers' decision process has remained an important area of theoretical and empirical research for long. The research in the area of consumer behavior receives added significance in a product-market environment like that of Nepal characterized by low level of education, lack of buying alternatives and unbiased sources of information. Present study is an attempt in this direction aimed at examining the decision process of high involvement goods buyers of Kathmandu valley. In order to provide a framework for this study, available literatures on different components of consumers' decision process has been reviewed and presented in subsequent headings in this chapter.

2.1 Conceptual Review

With a view to describe how consumers make decisions for high involvement goods, several theoretical models have been developed. There are six comprehensive models of consumers' behaviors namely Nicosia Model, Howard-Sheth Model, Engel-Kollat-Blackwell Model, Sheth Family Decision-Making Model, Bettman's Information Processing Model and Sheth-Newman Gross Model. These models of consumers' decision-making process postulate that for high involvement goods, consumers in general are likely to engage in extensive prepurchase information seeking, develop choice set out of the several alternatives available in the market, and evaluate alternatives in choice set by using rational decision criteria and rules. These models are based on the assumptions that consumers possess some prior knowledge about the product markets as a result of on going search. These models are discussed as follows:

Nicosia Model

This model was developed by Francesco M. Nicosia (1966). He was one of the first consumer behavior modelers to shift focus from the act of purchase itself to the more complex decision process that consumers engage in about products and services. The Nicosia Model focuses on relationship between the firm and its potential consumers. It is interactive in design; the firm tries to influence consumers and the consumers by their actions (or inactions) influence the firm. Nicosia Model is divided into four major fields.

- i. The firm attributes and outputs or communications and the consumer's psychological attributes.
- ii. The consumers' search for and evaluation of the firm's output and other available alternatives.
- iii. The consumers' motivated act of purchase.
- iv. The consumers' storage or use of the product.

Nicosia Model is based on some assumptions, which are as follows:

-) Variables interact either dependently or independently but the one variable provides input to the next.
-) Consumers seek to fulfill specific goals but initially there is no history between the company and the consumers.
-) There is no positive or negative predisposition towards the firm in the mind of consumers.

Howard-Sheth Model

Howard and Sheth (1969) propounded this model of buying behavior. It is a major revision of an earlier systematic effort to develop a comprehensive theory of consumers' decision-making. It covers both industrial and ultimate users. This model gives emphasis on rational brand choice under condition of incomplete information and limited activities and it distinguishes three stages of decision making.

- i. Extensive Problem Solving
- ii. Limited Problem Solving
- iii. Routinized Problem Solving

These three stages of decision-making are characterized by great, moderate and little amount of information needed prior to purchase and slow, moderate and fast speed of decision respectively. This model consists of four major sets of variables:

I. Input Variables:

- a. Physical brand characteristics (significant stimuli).
- b. Verbal or visual product characteristics (symbolic stimuli).
- c. Consumers' social environment (family, reference groups, social class).

II. Perceptual and learning constructs.

III. Outputs either may be purchase behavior or anything like attention, intention, attitudes, and brand comprehension.

IV. Exogenous variables such as importance of the purchase, consumer personality traits, time pressure and financial status.

Engel Kollat Blackwell Model

It is also known as the Engel-Blackwell- Miniard Model (1968) of consumer behavior. It has gone through numerous revisions from time to time. Later it was revised by the greatest contribution of Miniard. This model was originally designed to serve as a framework for organizing the fast growing body of knowledge concerning consumer behavior. Like Howard-Sheth Model, its latest version consists of four sections these are as follows:

- i. Stimuli inputs
- ii. Information process
- iii. Decision process stages i.e. problem recognition, information search, alternative evaluation, purchase and outcomes.
- iv. Variables influencing the decision process i.e. environmental and individual variables.

Sheth Family Decision Model

The Sheth-Family Decision Making Model (1981) considered the family as the appropriate consumers' decision making unit and it suggest that joint decision making tends to prevail in families that are middle class newly married and close- knit with few prescribed family roles. In terms of product specific factors, it suggests that joint decision-making is more prevalent in situation of high-perceived risk of uncertainty, when the purchase decision is considered to be important and when there is ample time to make a decision

Bettman's Information Processing Model

Bettman's Model (1993) of consumer choice portrays the consumer as possessing a limited capacity for processing information.

According to this model, the consumer rarely (if ever) undertakes very complex analysis of available alternatives and employs simple decision strategies when faced with a choice. Bettman's Information Processing Model has seven basic components:

- i. Processing capacity
- ii. Motivation
- iii. Attention and perceptual encoding
- iv. Information acquisition and evaluation
- v. Memory
- vi. Decision process
- vii. Consumption and learning process

Sheth-Newman-Gross Model

The Sheth-Newman-Gross Model (1991) of consumption values recently developed to explain why consumers make the choice they do? This model concentrates on accessing consumption relevant values that explain why consumers choose one product type over another and to consumers' choices involving a full range of product types (consumers' non-durable, durables, industrial goods and services). The Sheth-Newman-Gross Model is rooted in three central propositions.

- i. Consumers' choice is a function of a small number of consumption values.
- ii. Specific consumption values make differential contribution in any given choice situation.
- iii. Different consumption values are independent.

This model of consumers' choice behavior identifies the five consumer values, namely

- i. Functional value.
- ii. Social value.
- iii. Emotional value.
- iv. Epistemic value
- v. Conditional value

The first three models (Nicosia Model, Howard-Sheth Model and Engel Kollat-Blackwell Model) of consumer decision making focus on how individual consumers arrive at brand choices. The fourth model (Bettman's Information Processing Model) focuses on cognitive aspects of information search and processing and indicates how

consumers employ information to arrive at various types of buying decisions. The sixth and final model of consumer behavior is concerned with consumption values, especially why consumers choose to buy or not to buy a specific type of product or a specific brand.

2.2 Components of Consumer Decision Process

The description of different components of consumer decision process might be able to provide an understanding of the entire consumer decision process. Such components are as follows:

Problem Recognition

The existence of a problem or need triggers a series of activities that end up with a choice made by the buyers. Need for a product or product class may be aroused either by internal stimuli resulting from consumer's interaction with the external environment for example; raining may cause consumer consider the purchase of rain coat or an umbrella.

Among consumers, there seem to be two different needs or problem recognition styles. Some consumers are actual state types, who perceive that they have a problem when a product fails to perform satisfactorily. In contrast, other consumers are desired state types, for whom the desire for something new may trigger the decision process (Schiffman and Kanuk, 2002:25).

Problem recognition results when a consumer recognizes a difference of sufficient magnitude between what is perceived as the desired state of affairs and what is the actual state of affairs, enough to arouse and activate the decision process. The actual state refers to the way in which a need is already being met and the desired state is the way a person would like for the need to be satisfied. Problem recognition must also result in the problem being sufficiently defined if the consumer is to engage in meaningful behaviour aimed at solving it. Sufficient problem definition occurs for the consumer to be able to act on it in many problem-recognition situations. Other situation exists, however, in which the consumer may not have a clear definition of the problem, even though problem recognition has occurred. For example, the matter of self-image may lead to such an occurrence, such as when the consumer feels that his/ her expression of a desired image is not quite right and yet she is unable to define exactly what is wrong. In such cases, information search may be engaged in to more

clearly identify the problem. These cases of problem recognition and definition may often be complex (Loudon and Albert, 1993:35).

One recent stream of research on problem recognition has viewed the process as being a function of the congruity between the positive or negative valence values of some perceptual stimulus and the respective positively/negatively values for some evoked referent. For example, a consumer may see a friend's new car is perceptual stimulus and compare it to his own old model (evoked referent). If the new car were perceived to be significantly better than his old one, then problem recognition would be expected to occur (Loudon and Albert, 1993:42).

Another research direction taken has been to view problem recognition longitudinally. Instead of focusing on one instance of problem recognition, the effect of repeated occurrence of similar problems is considered (Loudon and Albert, 1993:43).

Types of Problem Recognition

Rather than viewing problem recognition as occurring in only one way, it is useful to understand that there may be different types of problem recognition process. One approach has been to develop a classification system of situations based on the factors of immediacy of required solution and whether or not the problem was expected. There are four types of problems namely; routine, emergency, planning and evolving situations (Loudon and Albert, 1993:46).

Routine Problems

Routine problems are those in which the difference between actual and desired states is expected to occur and an immediate solution is required. Typically, convenience goods are associated with this type of problem recognition, such as most grocery purchases made by consumers. In these cases, items are ordinarily used up and must soon be replaced.

Emergency Problems

Emergency problems are those that are unexpected in which immediate solutions are necessary. For instance, a consumer who is involved in an automobile accident and 'totals' his car may need a quick solution to his transportation problem. Consequently, the individual may have little time to engage in shopping for the perfect replacement

vehicle, but instead may purchase something that is reasonably satisfactory and available for immediate delivery.

Planning Problems

Planning problems occur when the problem occurrence is expected but an immediate solution is not necessary. For instance a consumer who expects that his car will only last one additional year may begin to engage in window shopping for autos, have discussions with friends about various brands, and pay closer attention to automotive advertisements. Planning problems are the type that can lead to purchase of 'Pre-need' goods and services, which are bought in anticipation of being used in the future, generally after a significant time lag.

Evolving Problems

Evolving Situations occur when the problem is unexpected but no immediate solution is required. The fashion adoption process illustrates this case. Fashion adoption ordinarily occurs over a lengthy period of time for many consumers. Although one may become aware of the new fashion items existence, there may be no initial desire to own that item. Over time, as the innovation spreads and more consumers buy the item, a discrepancy between the consumer's desired and actual state may develop and increase. At some point, the consumer may purchase the fashion innovation. Thus, the diffusion of an innovation often involves the situation of evolving problems.

Information Search

If an aroused need is strong and the gratification objects readily available the consumer is likely to gratify the need immediately. In most cases the aroused need is not gratified immediately. The need enters into the human memory system as an object for future gratification. Consumers, in this stage, are engaged in information search about products that can best satisfy their need (Koirala, 2057:17).

The term search refers to mental as well as physical information seeking and processing activities, which one engages in to, facilitate decision-making regarding some goal-object in the market place (Loudon and Albert, 1993:47). Consequently, search may be undertaken in order to find out about products, prices, stores and so on related to the product.

Types of Consumer Search Activities

Search may be categorized as prepurchase or ongoing (based on the purpose of search) and as internal or external (based on its source) (Loudon and Albert, 1993:49).

Pre-purchase Search

This is the typical form of search which is associated within the purchasing context. If the consumer has recognized a problem, then prepurchase search would be engaged in.

Ongoing Search

This is characterized as search activities independent of specific need or decisions, that is, it does not occur in order to solve a recognized and immediate purchase problem. Thus, the search would be ongoing rather than pre-purchase, if consumers were searching with an interest in a product but with no demand for the product.

Ongoing search for automobiles may include regularly reading automotive magazines. Prepurchase search, however, might involve use of the same magazines, but only reading them every few years when a new car purchase is about to occur, these search purposes are different but they involve the same activities. Consequently, they are difficult to separate in practice.

Internal Search

This is the first stage to occur after the consumer experiences problem recognition. It is a mental process of recalling and reviewing information stored in memory that may relate the purchase situation. The consumer relies on any attitudes, information or past experiences that have been stored in memory and can be recalled and applied to the problem at hand. The recall may be immediate or may occur slowly, as a conscious effort is made to bring the information to mind. Once recalled, the information may be used in the evaluation process as the consumer seeks to resolve the purchase decision confronting his/her.

External Search

This refers to the process of obtaining information from other sources in addition to that, which can be recalled from memory. Consumers are exposed to information through the following external sources:

- a. Personal Sources: family members, friends, neighbors, acquaintances etc.
- b. Commercial Sources: advertisement, sales persons, packaging, displays etc.
- c. Public Sources: newspaper, magazines, radio, television, Internet etc.
- d. Experimental Sources: handling, examining, and using the product.

Types and Sources of Information

A great variety of information of potential interest to consumers exists in the external environment. Three general categories are:

- i. Information about the existence and availability of various product and service offerings.
- ii. Information useful in forming evaluative criteria i.e. the standards which are employed to evaluate alternatives and
- iii. Information on the properties and characteristics of alternatives.

In general, it appears that the type of information sought depends upon what the consumer already knows. For instance, when the consumer has little knowledge about available offerings, search effort tends to focus learning about the existence of alternatives and forming appropriate evaluative criteria. When he/she feels sufficiently informed in these areas, search is likely to be redirected towards learning more about the characteristics of available offering in order to evaluate them. In addition to direct experience of using products themselves, consumers gain information from three major areas:

- i. Marketer dominated sources
- ii. Consumer sources
- iii. Neutral sources

Information in marketer dominated channels stems from sales people, packaging and other sources under the control of the marketer. Consumer sources include all those interpersonal communications not under the control of the marketer. Neutral sources include a portion of the mass media, government reports, and publications from independent product-testing agencies. These groups are not under the direct control of the marketers.

It appears that although marketer dominated sources may be extensively used in the early stages of product awareness and initial interest; personal sources enjoy the most use in latter stages of the decision process.

Evaluation of Alternatives

Having come up with set of buying alternatives, consumers tend to evaluate each of them on their attributes and they are relative worth to them to arrive at the final choice. In this stage, the person uses the information to clarify the various alternatives and their relative attractiveness. This is the least understood part of the consumer buying process. Each individual has his/her own system of evaluations (Koirala, 2057:28).

When evaluating potential alternatives consumers tend to use two types of information i.e.

- a. Evoked set i.e. a list of brands from which consumers plan to make their selection and
- b. The criteria consumers will use to evaluate each brand.

a. Evoked Set

Within the context of consumers' decision-making, the evoked set refers to the specific brands a consumer considers in making a purchase within a particular product category. A consumer's evoked set is distinguished from his or her inept set, which consists of brands the consumer excludes from purchase consideration because they felt to be unacceptable, and from inert set, which consists of brands the consumer is indifferent toward because they are perceived as not having any particular advantage. Regardless of the total number of brands in a product category, a consumers' evoked set tends to be quite small on average, often consisting of only three to five brands. However, research indicates that a consumers' consideration set increases in size as experience with a product category grows (Schiffman and Kanuk, 2002:55).

b. Criteria Used for Evaluating Brands

The criteria consumers use to evaluate the brands that constitute their evoked sets usually are expressed in terms of important product attributes. In general, consumers tend to evaluate alternatives in terms of product class attributes, brand beliefs and utility function attributes (Koirala, 2057:26).

Product Class Attributes

Normally, consumers view a product as a multi attribute object having a number of characteristics such as features, name, price, quality, service, warranty etc. During the

evaluation stage, consumers are interested to find out how each product stands in terms of the various attributes. Generally, all consumers are not interested in all the attributes of a product, but are interested only on those, which are important to them. Consumers compare the product's major attributes with the attributes important to them.

Brand Beliefs

Consumers are likely to develop brand beliefs or brand image during the evaluation stages. In this stage, to develop positive or negative feeling towards the brands of a product class consumer uses their past experience. Opinions of other people such as family members, friends, and other reference group members also contribute to shape a consumer's brand beliefs.

Utility Function Attributes

Consumers are likely to have a utility function for each product attribute. The utility function is the expected total satisfaction from various attributes of the different brands of a product. Consumers arrive at some attitude, judgment and preference towards the brand alternatives through an evaluation process. The evaluation process, however, greatly varies from individuals to individual and in the same individual from one purchase situation to the other.

Purchase Behavior

After engaging in an evaluation of the alternatives, the consumers' next step in the decision is to make a choice among alternatives. Consumers make a variety of different types of choices. They can choose among alternative brands or services and they can make choices among stores. However, choices are also made at a more general level, with a person choosing between non-comparable alternatives (Mowen, 1990). Generally, consumers make three types of purchase i.e.

- i. Trial Purchases
- ii. Repeat Purchases
- iii. Long-term Commitment Purchases

When a consumer purchases a product for the first time and buys a smaller quantity than usual, this purchase would be considered a trial. Thus, a trial is the exploratory

phase of purchase behavior in which consumers attempt to evaluate a product through direct use.

When a new brand in an established product category is found by trial to be more satisfactory or better than other brands, consumers are likely to repeat the purchase. Repeat purchase behaviour is closely related to the concept of brand loyalty, which most firms try to encourage, because it contributes to greater stability in market place. Unlike trial, in which the consumer uses the product on a small scale and without any commitment, a repeat purchase usually signifies that the product meets with the consumer's approval and that he or she is willing to use it again and in larger quantities.

Trial, of course, is not always feasible. For instance, with most durable goods such as refrigerators, washing machines or electric ranges, a consumer usually moves directly from evaluation to a long-term commitment, without the opportunity for an actual trial (Schiffman and Kanuk, 2002:57).

Consumers' purchase or choice behavior is strongly influenced by the type of decision process in which they are engaged. Good evidence exists that the choice process differs if consumers use a high-involvement approach as compared to a low involvement approach. The study of consumers' choice under high low involvement conditions has generally focused upon identifying the types of decision rules that consumers use to decide which alternative brands to purchase. Two broad categories of modes i.e. compensatory and non-compensatory have been used to explain how consumers make choices among brands. The terms, compensatory and non-compensatory refer to whether or not high ratings on one attribute can compensate for low ratings on another attributes.

In high involvement conditions, evidence exists that consumers use compensatory models. In contrast, in low involvement conditions consumers tend to use non-compensatory models of choice (Mowen, 1990:23).

High Involvement Choice

Under high involvement choice, consumers were found to act as though they are using a compensatory model. In compensatory models of choice, consumers are viewed as analyzing each alternative in a broad evaluative fashion (Mowen, 1990). All of the information on the attributes of a brand is combined into an overall judgment of the

preference for the brand. Such an evaluation is made for each of the brand alternatives. According to the compensatory model, the brand that has the highest overall preference is then chosen.

In compensatory models, an alternative is not necessarily rejected because it has low ratings on any particular attribute. The quality of having high ratings on some attributes compensate for low ratings on other attributes is the basis for calling these models compensatory.

Low Involvement Choice

In low involvement circumstances consumers have been found to act as though they use non-compensatory models of choice. In these models high ratings on some attributes may not compensate for low ratings on other attributes. These non-compensatory models are also called hierarchical models of choice. They are hierarchical because the consumer is viewed as comparing alternatives on attributes one at a time. Thus, one attributes is chosen and all alternatives are compared on it. The consumer than moves to the next attribute and alternatives are compared on it. The process then continues in a hierarchical manner.

One advantage of the non-compensatory choice models is that they are relatively simple to implement. When consumers are in a low involvement situation, they are not willing to engage in the large amounts of information processing effort required by a compensatory model. The non-compensatory models are essentially short cuts to reach satisfactory decisions rather than optimal ones. Such a process has been called satisfying (Mowen, 1990:23). The non-compensatory model has also been called heuristic models of choice. The more important non-compensatory models are discussed below (Mowen, 1990:24).

The Conjunctive Rule

In many instance, consumers are faced with a decision in which a large number of brand alternatives are available. Clearly, it would be impossible to investigate each brand, so a short cut is needed to simplify the process. One such short cut involves the use of the conjunctive rule. Here the consumers set minimum cutoffs on each attribute that he or she wishes to investigate. If the product fails to surpass the minimum cutoffs level, the alternative is rejected. If the cutoff levels are set very stringently, it is possible that only one alternative is left after all others are eliminated. More

frequently, cutoff points are set lower so that a number of alternatives remain. As such, the conjunctive rule is often used as an initial screening device to eliminate enough brands so that a more complex decision approach, such as a compensatory model, can be applied to select from the remaining alternatives.

The Disjunctive Rule

The disjunctive rule is similar to the conjunctive rule. Minimum standards are set for each attribute under consideration. Alternatives are then evaluated on the attributes. If an alternative passes a standard for any attribute, it is accepted. Usually, the cutoff point is set very stringently. The alternative chosen by the disjunctive rule is the one that is rated extremely high on some attribute. It is as though the person is saying that he or she wants an alternative that is great on something.

In the conjunctive and disjunctive models, both set minimum standards for each attributes. However, in the conjunctive model if a rating falls below the standard on any attribute, it is rejected. In the disjunctive model, if a rating is above the cutoff level on any attribute, the alternative is accepted.

Elimination by Aspects

According to the eliminations by aspects heuristic, each alternative is thought of as a collection of aspects or attributes. Choice occurs via a hierarchical process in which an attribute is chosen and alternatives not possessing the attribute are eliminated. The decisions maker then move on to the next attribute and eliminate alternatives not possessing it. The process continues until only one alternative remains. The likelihood of choosing any one attribute on which to compare alternatives is based upon its importance to the decision maker.

The Lexicographic Heuristic

Where as the conjunctive rule is typically used to help the consumer reject unacceptable alternatives, the lexicographic heuristic helps the consumer identify the best alternative on the most important attribute. In order to use the approach the consumer is assumed to have an idea of the order of importance of the attributes on which he or she is evaluating a product. After determining the order of importance of attributes, the consumer then rates all alternatives on the most important attribute. The alternative that is best on that attribute is then chosen. The consumers move to the next attribute and select the alternative rated best on that attribute, if a tie occurs.

Phased Strategies

Consumers may also sequentially use two non-compensatory models or use a non-compensatory model and then a compensatory approach. For example, in phased strategy a consumer first may use a conjunctive model in order to reduce the alternatives considered to three or four. The consumer could then use a lexicographic approach or even compensatory model to make the final choice. Such phased models are most likely to use under high involvement conditions.

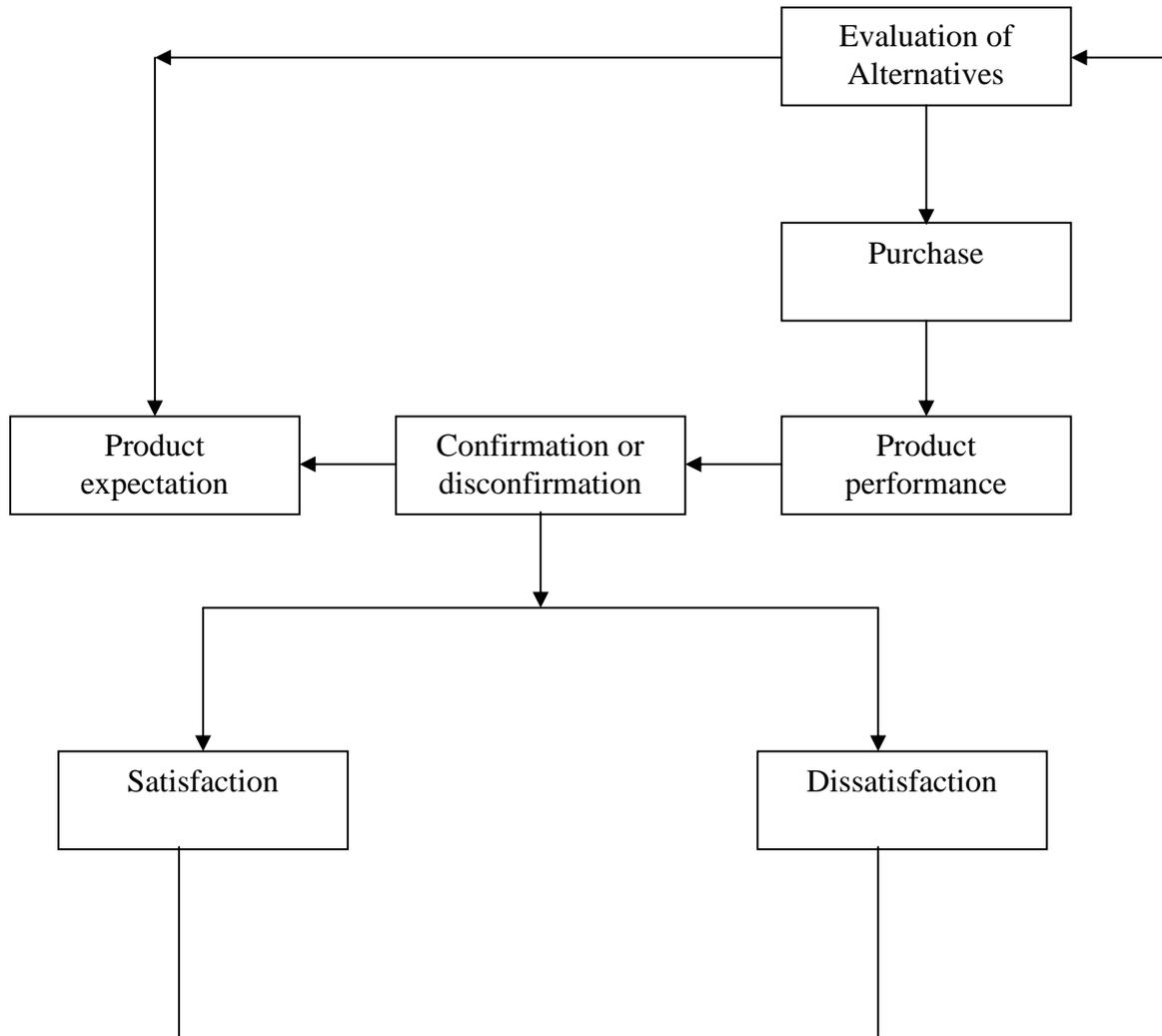
Post Purchase Evaluation

As consumers use a product, particularly during a trial purchase, they evaluate its performance in light of their own expectations. There are three possible outcomes of these evaluations:

- i. Actual performances match expectations, leading to neutral feelings.
- ii. Performance exceeds expectations, causing what is known as positive disconfirmation of expectation which leads to satisfaction and
- iii. Performance is below expectations, causing negative disconfirmation of expectations and dissatisfaction (Schiffman and Kanuk, 2002:59).

For each of these three outcomes, consumers' expectations and satisfaction are closely linked, that is, consumers tend to judge their experience against their expectations when performing a post purchase evaluation. An important component of post purchase evaluation is the reduction of any uncertainty or doubt that the consumers might have had about the selection. As part of their post purchase analysis, consumers try to reassure them that their choice was a wise one, that is, they attempt to reduce post purchase cognitive dissonance.

The degree of post purchase analysis that consumers undertake depends on the importance of the product decision and the experience acquired in using the product. When the product lives up to expectations, they probably will buy it again. When the product's performance is disappointing or does not meet expectations, however, they will search for more suitable alternatives. Thus, the consumers' post purchase evaluation feeds back as experience to the consumer's psychological field and serves to influence future related decisions.



Source: Loudon and Albert, 1993

Figure 2.1: The Purchase Evaluation Process

The literature review will become incomplete if the past articles, journals and dissertations were not reviewed. Therefore, in this part of review of literature, the objectives and findings of the previous researches relevant to this research are discussed below.

2.3 Patterns of Search Strategies

The buyers of high involvement goods like cars and motorcycles can obtain desired information from different sources of information. In addition to dealers sources and other seller sponsored sources of information such as advertisements and brochures, the interpersonal (friends, family members, coworkers) and the neutral (consumer reports, books, magazines) sources of information are also available to the buyers. But

these sources of information obviously vary on several dimensions such as accessibility, cost, credibility nature of information content etc.

For e.g.; product ratings provided by consumers reports are more credible than the information provide by the advertisement copies. As such consumers are likely to make selective use of different sources of information.

Although a vast literature exists that examine the amount of information search and the determinants there of, only a few studies have sought to examine the sources use pattern of consumers for durable goods (Furse et al., 1984:75).

Claxton et al., (1974) have extracted minimum of 4 clusters to a maximum of 6 clusters of furniture and appliances buyers labeled as "through" and "non through" based upon three search measures such as number of information sources used, total visits to stores and deliberation time. "Thoroughness" as they report is characteristic of consumers' high-income, education and rightness of the product. And consumers shopping approaches is affected by the amount of deliberation. As they note, "for a particular amount of deliberation there may be trade offs in the balance of attention given to different aspects of purchasing process". As such some buyers favor stores visits; others devote proportionately more time and effort in consulting a wider variety of sources used. Based on the types of sources used, Westbrook and Fornell (1979) have grouped appliance buyers into four segments of objective moderate, store intense and personal advice seeker types of shoppers .Two dimensions, namely the extent of physical shopping and the use of neutral versus personal sources are reported to have contributed to the differences in the search styles of reported segments. While the extensive retail search with reliance on the information received from neutral sources is characteristics of objective shopper, the personal advice seekers use interpersonal sources as the main source of information since their methodology examines the search patterns in terms of relative use of one source over other sources, the use of various sources in combination is indicated. As such, in terms of patterns of search strategies, the buyers of furniture and appliances can be regarded as using hybrid strategies or strategies of complementing one with other sources.

The study of the information seeking behavior of Australian car buyers done by Kiel and Layton (1981) has used cluster analysis of 12 search activities to derive five patterns of search behavior (high search, low search, retail search, interpersonal

search and high search time clusters). On the other hand, the study of American car buyers' patterns of information search done by Furse et al., (1984) has resulted in six clusters of car buyers (low search, moderate search, high search, self reliant shopper, purchase pal assisted shoppers and retail shoppers). Although these two studies have different market settings, they observe some correspondence in the patterns of search strategies reported.

The review of studies on the patterns of information search indicates difference in the number of clusters. Several reasons can be observed from these studies that account for the differences in the number of clusters reported. Firstly, the studies differ in terms of variables used for classifying buyers into different groups. Secondly, there is difference also in the units of measurements used.

Despite of differences in the use of variables and their measurements, the studies on the patterns of search indicate that the buyers of durable goods are selective searchers i.e., they use various sources of information in combination as complementary or substitute sources. As such, the search strategy adopted by them is hybrid one.

Sources of Information

The consumer information system consists of a number of information sources such as interpersonal (friends, family members, acquaintances, coworkers), commercials (electronics and printed media), personal inspection (observation, inspection, trial) and neutral (consumer reports, books magazines). While seeking information consumers have option to produce information from any of these sources or their combinations.

Studies on consumers' information search behavior usually consider the effort expended on each of these sources on the frequency of their utilization to arrive at overall measures of search. Besides, they also report the extent of individual source utilization (Beatty and Smith, 1987; Newman and Stealin, 1973; Urbany et al., 1989:24). Although these studies report the extent of individual source utilization, but the mean source of search efforts/intensity on individual sources are not comparable since the sources of information vary on the amount of information provided per unit of search efforts.

Instead of focusing on the use of individual sources of information, several studies have been examined the patterns of use of information simultaneously (Furse et al.,

1984; Kiel and Layton, 1981; Westbrook and Fornell, 1979; Claxton et al., 1974). Based on the search efforts of frequency of source utilizations, these studies have developed different clusters of consumers, which vary on extent of information search and use of different sources of information. These studies report that a portion of consumers are quite selective while assessing the sources of information. The two sources of information that some consumers seem to prefer exclusively are interpersonal sources (knowledgeable friends, family members, coworkers, neighbors) and visits to dealers.

In another study, Urbany et al., (1989) also report the extensive use of interpersonal sources of purchase of appliances. Recently they also reported consumers' preferences for interpersonal sources over other sources. This is so, even though other sources such as consumer reports provide very objective and detail information about the number of products.

Sources of information vary on several dimensions i.e. credibility, accessibility, nature of information, cost of using the sources, volume of information and many other aspects. Among the various sources of information available in the market, interpersonal sources are highly credible, free of cost, readily accessible and very easy to process information from. As a result, the consumers mostly tend to use these sources even though other sources are available in the market.

Besides, some recent studies (Olshavsky and Donald, 1985) indicate that consumers use interpersonal sources not only to derive raw information, but also use them for recommendations regarding various aspects of purchase. Because, interpersonal sources are better able to understand the needs and requirements of the information seeker, it is not usual for them to across all the stages of decision-making process from providing information to actual purchase of the product.

These findings suggest that the market information system comprises a large variety of information sources; most of the consumers tend to prefer information seeking through interpersonal sources. Although the knowledge of interpersonal sources may be limited usually to their past experiences, but because of their credibility, objectivity, easy access and easy to process characteristics, consumers mostly tend to use this sources than any other source of information.

Level of Information Seeking

Pre-purchase information seeking is one of the most important components of consumers' decision process. Once the problem recognized, the next stage in the decision process is to acquire information from various sources so that the consumer can evaluate different buying alternatives before making the final choice. Thus, the nature and the amount of information seeking are likely to make significant influence upon the nature of decision-making process a consumer utilizes.

There are large numbers of research studies on the information search behavior of consumer in the western product/market (some representative studies are Claxton et al., 1974; Newman and Staelin, 1972-73; Donald and Olshavsky, 1985:28).

Although these studies deals with various aspects of information search behaviors, one of the most important issues they deal with is the extent of pre-purchase information seeking by consumers while purchasing a high involvement products (e.g. automobile, appliances, furniture etc.).The amount of information sought is indicative of the involvement in purchase decision. Besides, higher the amount of information collected, greater is the likelihood of having a large evoked set and extensive evaluation of different alternatives.

Review of findings of most of the major studies suggests that consumers vary in the extent of prepurchase information seeking activities. In a study designed to examine consumers' pre-purchasing information seeking, reported that 40% of the buyer of durable goods made their final decision within a day to one week. In another study, 60% of the buyers were also reported to have shopped in one store only where the purchase was made (Claxton et al., 1974:27).

Moreover in another study, Newman and Staelin (1973) reported that only 31% appliance buyers used only one source of information. The use of less than 3 sources of information is also reported in the purchase of furniture, appliances, television sets and house (Claxton et al., 1974:29).

These findings suggest that unlike the predictions of the models of consumers' decision making behavior (Howard and Sheth, 1969; Bettman), a large portion of consumers engage in a very limited portion of prepurchase information seeking. Defined by Beatty and Smith (1987), "External search effort is the degree of attention, perception and effort directed toward obtaining environmental data on information related to the specific purchase under consideration". The review of literature

presented in the earlier sections illustrates that consumers differ on the level of information search activities. It culminates in a logical question as why do different consumers engage in different levels of search. With a view to highlight the answers of these questions, some researchers (Punj and Staelin, 1983; Srinivasan and Ratchford, 1991:38) have suggested that due to the numerous variables consumers differ on the level of information search. These variables are discussed below:

Prior Knowledge and Experience

One of the important correlates of information search found in past research is consumer's prior knowledge about products and markets. Several researches have examined the influence of prior knowledge upon the amount of search (a few representative studies are Beatty and Smith, 1987; Punj and Staelin, 1983; Russo and Johnson, 1984; Srinivasan and Ratchford, 1991:40). These studies indicate that prior knowledge has four major dimensions: amount of information in memory, change in ability to acquire information in memory, change in ability to acquire information from external sources, and efficiency in acquisition and processing of information.

The relationship between volume of information stored in memory and external search for information is proposed to be negative (Howard, 1977; Bettman, 1979:45). It means that those who possess enough information in their memory due to prior search and experience will acquire less information from external sources of information than those motivated to search more due to the lack of knowledge concerning the product and market. There also exists some empirical support confirming this hypothesis regarding the negative relationship between prior knowledge and search (Punj and Staelin, 1983; Beatty and Smith, 1987; Russo and Johnson, 1984; Srinivasan and Ratchford, 1991:49).

Contrary to negative relationship between prior knowledge and search, another argument proposes this relationship to be positive. Because the consumers with limited prior knowledge are likely to have limited ability and efficiency to search (what to search, what questions to ask, where to search etc), they are also likely to search less knowledgeable consumers. However, possess an elaborate cognitive structure and decision rules enabling them to engage in search behavior. Support for this argument comes from Russo and Johnson, 1984; Punj and Staelin, 1983; Srinivasan and Ratchford, 1991:51). To conclude, it is still not known that prior

information or ability or efficiency has the greater or smaller effect on the extent of research.

Prior Preference

Consumers' prior preference for a brand or store has also been examined as one of the correlates of information seeking in some studies on consumer durable goods like car, furniture and appliances (Newman and Staelin, 1972-73; Furse et al., 1984:57).

The relationship between the extent of search and prior preference for store and brand is proposed to be negative. It means that high prior preference for a particular brand or store reduces that extent of information seeking because consumers already know prior to implementing their purchase decision, what they want to buy and hence are least motivated to search (Newman and Staelin, 1972-73; Furse et al., 1984). In one survey of European car buyers (Kiel and Layton, 1981:75), brand and store preference is found to be insignificantly related with dealer, media and interpersonal search.

To sum up, the research evidence seems to support a negative relationship between prior preference and amount of information search.

Evoked Set Size

Evoked set of brands refers to the brand alternatives a consumer seriously considers as candidates for purchase (Srinivasan and Ratchford, 1991:53). Distinction is made, however, between evoked set and relevant set and feasible set (Punj and Staelin, 1983:65).

While the relevant or awareness set includes the subset of brands familiar to a consumer regardless of whether they are perceived favorably or unfavorably, the feasible set includes only such brands that meet consumers constraints e.g. certain product attributes such as size, style, price range etc. Since evoked set size comprises such brands that are actually considered at the outset of decision process it tends to be endogenous, a function of prior experience, the size of feasible set which is estimated by deducting all such available that do not meet consumers constraints, is substantial in nature.

There exists substantial research work indicating the size of evoked set for different product categories. In a survey of major appliance buyers, the buyers are reported to have considered brands only within one price range. Similarly, 41% and 71% of

refrigerator and vacuum cleaner buyers respectively are found to have examined only one brand. Also, within a range of 0 to 17 brand examination possibility, only 3.83 brands actually examined by the buyers of electrical appliances (Beatty and Smith, 1987:28).

Although the size of evoked set tends to be smaller, it is found related with extent of information seeking in some studies. In one study, the extent of information seeking is reported to decline with the increase in the total number of reinforced purchases of a given make of cars (Kiel and Layton, 1981:15). An analysis of total information seeking for new cars and appliances has also revealed that the 47% of the total buyers who considered mainly one brand at the outset of decision process have substantially less than average level of information seeking as compared to the buyers who considered two or more brands (Newman and Staelin, 1973:21). Such observations indicate a positive relationship between information seeking and size of evoked set.

Confidence in the Ability to Judge the Product

Consumers differ in their ability to judge a product. It is argued that consumers' knowledge and experience with a product category determine the extent of their ability to judge. When consumers possess product knowledge or experience, they are able to identify salient attributes of a product and direct their search and evaluation efforts on them.

Although in many studies, confidence in the ability to judge a product has been directly measured in terms of consumers' perception of how confident they felt to judge a product at the time of purchase, the evidence showing its relationship with total search effort does not exist. However, there exist some studies that examine the relationship between the search across different sources of information and consumers perceived level of confidence in the ability to judge the product.

In case of appliance and car buying (Newman and Staelin, 1972:16), while the ability to judge is positively related with the use of neutral sources of information, it is negatively related with the use of personal sources and insignificantly related with the use of retail sources. Bell (1967) has observed positive relationship between the ability to judge and search on personal sources of information. On the other hand, there is insignificant relationship between high or specific self-confidence and search on various source of information (Kiel and Layton, 1981:56).

Summarizing the above discussion it can be said that relationship between confidence in the ability to judge and the use of different sources of information is not definite as the results of empirical studies are equivocal.

Attitude towards Shopping

Consumers can be argued to differ in terms of how they feel about shopping task while some consumer enjoys shopping trips others do not. This difference in the attitude towards shopping may account for difference in the search efforts undertaken by different consumers.

In some studies, attitude towards shopping has been examined as a correlate of search. In the purchase of car (Kiel and Layton, 1981:19) and electronic products (Beatty and Smith, 1987:21), the attitude towards shopping is found positively related with dealer visits and the use of personal and commercial sources of information. However, it is found to be negatively related with the use of neutral sources of information. It thus, appears that those having positive attitude towards shopping prefer to spare greater search efforts on visiting dealers and consulting people and advertisement instead of sparing efforts towards using neutral source of information which are costly both financial and cognitively.

Time Pressure

Consumers perceived level of time pressure at the time of purchasing might indicate the need urgency and the amount of time available to the consumers, which they use, on searching for information.

Time availability found to be positively related with store visits and the use of commercial and neutral sources of information (Betty and Smith, 1987). It means that when consumers have plenty of time available they undertake extensive search on various sources of information, but in another study, urgency of need (low level of time availability) is found to have reduce the purchase decision time (Newman and Staelin, 1971:13) and the level of information seeking (Claxton et al., 1974). It thus, suggests that when the perceived level of time pressure is low, extensive search follows.

Consumers Demographics

In an attempt to profile the consumers having different search intensities and strategies, many studies has sought to examine consumer demographics like education, age as the correlates of information search behavior.

Claxton et al., (1974) have observed the effect of education on search to be direct and positive. Education as such seems to enhance consumers' ability to search, process and grasp available information. Newman and Staelin (1973) however have reported a more complex (curvilinear) relationship between education and search based upon AID analysis. In their study high information seekers were those who had attended 12 grades (with or without vocational training) and a Bachelor's Degree. Other educational groupings did not yield to high search. Contrary to it, Furse et al., (1984) observed direct positive relationship between education and search on various sources of information such as retail, personal, commercial and neutral sources. With the use of neutral sources, education is shown positively related in another study as well (Claxton et al., 1974:36).

Age is another demographic variable, which shown to be negatively related with the use of different sources of information (Kiel and Layton, 1981; Furse et al., 1984:42).

To sum up, it can be said that above discussed variables seem to affect consumers' extent of information seeking. But, as discussed earlier, measurement of these variables in different studies significantly differ.

Use of Purchase Pals

A purchase pal is one who accompanies a buyer while searching or shopping. Anyone (friend, spouse, relative, family members, colleague etc) assisting a buyer in his search for information or choice making can be termed as a purchase pal.

There exists a vast volume of empirical works that reports the widespread use of interpersonal sources of information (friends, relatives, acquaintances, family members, coworkers and others) by significant number of buyers. These studies, however, do not identify the group of buyers who use them and the reasons their off. Some representative studies include Newman and Staelin (1972, 1973); Claxton et al., (1974); Westbrook and Fornell (1974); Kiel and Layton (1981); Beatty and Smith (1987).

The study of American car buyers done by Furse et al., (1984) is the only study to the best of researcher knowledge that classifies 19% of buyers as purchase pals assisted shoppers and profiles them as singles and least experienced buyers who expressed little confidence in their ability to judge the cars and did not own cars previously.

Reasons for Using Interpersonal Sources

An understanding of why consumers use purchase pals may come from the study of reasons that underline the use of interpersonal sources of information. As indicated by one of the studies that examine the reasons for the use of interpersonal sources, individuals differ in their ability to process information and the distribution of ability is skewed towards lower ends (Donald and Olshavsky, 1985). Consumers may prefer to use such sources of information that are less costly and fairly credible, requiring little cognitive efforts. As such, opinion leaders and market mavens (interpersonal sources) serve best as product/market consultants who provide less informed consumers with information appropriate to their level of involvement and processing ability (Urbany et al., 1989:59). They have also shown in empirical setting those knowledgeable friends, relatives, acquaintances are more capable of providing impartial, current, digested and interpretable information than any other single source. Besides, when consumers lack this ability, they seek simplification rather than complete information (Alba and Hutchinson, 1988:45) or compensatory strategy (Solomon, 1988:12) by relying upon others for data processing or negotiating in the market place.

Moreover, certain product characteristics such as risk, complexity, and purchase frequency also favor the use of interpersonal sources to other sources. As regards risk, Beatty and Smith (1987) postulate that when consumers perceive high risk involved in a brand choice situation, Urbany et al., (1989) also noted that where the cost of poor decision is high because of complexity of the product or uncertainty about the availability of the product on high price of the product, the incentive to use the judgment of knowledgeable interpersonal sources is also high. Unlike, Beatty and Smith (1987), Midgley (1983) has classified the sample product (men's suits) in terms of type of risk involved. He reports that the buyers of men's suits involving socially riskier style are more likely to use the peer referents than the buyers purchasing the suits of conservative style.

In addition to individual-to-individual difference factors and product characteristics, the source characteristics such as accessibility and experiences of the opinion may be some other sources of information. As Midgley (1983) observes in the study of organizational makers choice of information sources, the frequency of the use of some one else's views is primarily a function of their ease of success. On the other hand, it has also evidenced that in making important decisions for which individuals need information, the preference for a referent will vary as a function of perceived level of information processed by the referent.

Summing up, it can be said that consumers make extensive use of interpersonal sources at different stages of a decision process and for the lack of one's ability to judge by the knowledge and ability of others are the reasons for using such sources of information.

2.4 Review of Related Studies

A few researches have been completed on consumer behavior in Nepal as well as on other parts of the world. So some of the researches that have been completed on consumer behavior as an articles are as follows:

2.4.1 Review of Articles

Michael and Brynjolfsson (2001) wrote a research article on “*Consumer Decision Making at an Internet Shopbot*”. Shopbot is actually an internet based services that provide “one click” access to price and product information from numerous competing retailers. The main objective of this research article is to observe consumer choice behavior. The major findings of this article are:

-) Shopbot customers care a great deal about the brand of the retailer selling the books and in particular, they strongly prefer offers from well-known retailers: Amazon, Barnes & Noble, and Borders, even though they are fully informed of product prices and characteristics from other competing retailers.
-) Shopbot customers are being among the most price sensitive customers on the Internet.
-) Consumers use brand name as a signal of reliability in service quality for non-contractible aspects of the product bundle such as shipping.

Customers are more sensitive to price changes in sales tax and shipping price than they are to changes in item price.

Cheng et al. (2004) wrote a research article on “*Consumer Decision Making Styles on Domestic and Imported Brand Clothing with Reference to Chinese Consumers*”

The main objective of this research article is to find the relationship between consumers’ decision-making styles and their choice of domestic and imported brand clothing by investigating on Chinese consumers. When purchasing clothing, consumers often take time to evaluate alternatives in terms of brand, style, design, color, price and country-of-origin. These choice behaviors are particularly relevant to certain shopping attitudes of interest, such as “brand conscious”, “fashion conscious”, “price conscious”, and “hedonistic orientation”.

In order to collect a data, the survey was conducted in Guangzhou, a Southern Coastal City, which represents a mature market for imported goods. The whole surveys were conducted in different malls of the city. A total of 431 questionnaires were collected.

Consumers’ decision-making style was measured by the purified CSI (Consumer Style Inventory). The analysis of the data began with the multivariate analysis of variance (MANOVA), followed by canonical discriminant analysis. MANOVA was used to establish the statistical significance of group differences in the whole profile of predictor variables and to reduce the number of predictors for a classification analysis. The discriminant analysis was employed to find the relationship between consumers’ choice of domestic, foreign and both brands of clothing and their decision-making styles as well as other consumer characteristics. After assessing the overall group differences, further analysis to determine the source of these group differences was conducted with post hoc tests to identify which pair of groups had significant differences.

The result of the various test applied in the research can be summarized as:

-) Consumers preferring to buy imported brands tended to be brand loyal and had a more hedonistic attitude. They were quality conscious, brand conscious and fashion conscious.
-) The consumers tended to be younger and with a higher level of education. While they are not necessarily from the highest income group, they tended to read more fashion magazine, shops frequently and spend more on clothing.

-) In contrast, consumers who preferred to buy domestic brands tended to be the least brand loyal, more price conscious and have the least concern about the quality of clothing and whether it was fashionable. These consumers tended to be less educated and had a lower monthly income. They also didn't read many fashion magazines and spent less on clothing.
-) Consumers buying both domestic and foreign goods appeared to be confused by over choice and spent less on shopping.
-) Although tending to have the highest incomes and being the least price conscious among the three groups, this group of consumers tends to be oldest, least hedonistic oriented and least fashion conscious.

In conclusion, the differentiating factor between the both brand groups from the foreign brand groups is the shopping orientation (brand loyalty, quality conscious and fashion conscious) and age rather than income level.

2.4.2 Review of Thesis

Dahal (2005) conducted a study on "*Patterns of Consumer Decision Making Process While Purchasing High Involvement Goods in Nepal*". The objective of this study is to examine the patterns of consumer decision-making process in high involvement goods in Nepal. The major findings of his study are as follows:

-) The Nepalese motorcycle buyers undertake information search with greater emphasis upon dealer and inter personal sources of information.
-) Nepalese motorcycle buyers have rather small-evoked set size for both the makes and models.
-) Nepalese motorcycle buyers used five types of sources namely brochures, test drives, advertisements, interpersonal sources and dealer visits.
-) Total search effort is positively related with education, went with some one, evoked number of models and shopping orientation but it is negatively related with prior preference for manufacturer and model.
-) Motorcycle buyers of Nepal were classified into two groups. One is an Indian motorcycle buyer and another is a Japanese motorcycle buyer.

Khetan (2006) study a research on "*Motivation behind Acquisition of Time Saving Electrical Appliances of Nepalese Household*". The basic objective of this study was to examine the motives behind acquisition of electrical appliances among Nepalese households. This study was based on primary data and all the required data were

collected from households of Kathmandu Valley with the help of a structured questionnaire.

The major findings of her study were:

-) Most determining motive of acquiring or using appliances is convenience.
-) The interpersonal sources or social network is the most effective media of consumer awareness and probably an important for motivation too.
-) Time saving is not main motive for acquisition of time saving electrical.
-) The main reasons for not using the appliance are: high price and higher operating costs (electricity charge), operating difficulties due to lack of facilities needed for operation and also their less operational usefulness for Nepalese environment.

Timilsina (2007) study entitled "*A Study on Buyers' Behavior of Indian Gorkhas and Local People*" was conducted by basic objective of this study was to find out brand preference, purchase frequency, shop awareness and purchase criteria used by Indian Gorkhas and local peoples while purchasing clothing apparels. This study is also based on primary data and was collected from 170 samples and random sampling method was used in this study:

The major findings of his study are as follows:

-) The purchasing tendency of foreign brands of clothing apparels by the Indian Gorkhas and local peoples is lower in comparison to other brands.
-) The majority of Indian –Gorkhas purchasers was male and other use apparel on the yearly basis. Female, children and domestic use apparel were purchased on the basis of half yearly. Similarly, the majority of local people purchasers were female and apparels were purchased on yearly basis.
-) The awareness level of the Indian-Gorkhas regarding to the shop is found low whereas the local people's awareness level was high in comparison to the Indian-Gorkhas.
-) The Indian –Gorkhas liked to purchase the clothing apparels mostly from an integrated shop (store) but the local people preferred go to the clothing shop.
-) The price was the major factor of consideration before making any decision by both segments.

Lamichanne (2007) study entitled "*A research on family influence in buying decision*" was conducted by. He selected certain type of consumers whose families were likely to be more involved in making buying decision with the objectives of examining the nature and dynamics of family influence in making purchase decisions in the context of Urban areas of Nepal. The main findings of this study are as follows:

-) This study found that wife is an influential person in initiating the need and in collecting information.
-) Most of the families have gathered information from family discussion, different dealers and from their neighbor.
-) The joint decision takes place in the alternative evaluation and final decision stage of buying high involvement products.
-) In most cases, wife follows the purchase of the products.

Pant (2007) study a research on "*A Study on Brand Loyalty*". The major objectives of this study were to examine brand awareness of the Nepalese consumers and to identify the correlates of brand loyalty especially on low involvements products for this purpose. Primary data were collected from 100 consumers with the help of a structured questionnaire. The major findings of his study were:

-) Most of the Nepalese consumers are brand loyal. However, the percent of the consumers showing strong or entrenched loyalty is very low.
-) Brand loyalty varies across consumers as well as products. Brand loyalty is relatively in the products that are frequently needed than those which are needed or used less frequently.
-) The consumers belonging to 26 to 40 years of age are more brands loyal than those belonging to any other age group.
-) The consumer belonging to the nuclear family system is comparatively more brands loyal than those belonging to the joint family system.
-) Brand loyalty is strongly associated with consumers' income and shop loyalty.
-) Brand loyal consumers are less influenced by special deals like free samples; discount coupons, price activities and advertisements.

Mishra (2008) has carried out a research entitled "*An Examination of the Role of Purchase Pals in Consumer Buying Decisions for Saree and Suit*". The basic objectives of this study were to identify the role of purchase pals in consumer decision

making for saree and suit. For this purpose, primary data were collected from 96 buyers and 49 purchase pals with the help of a structured questionnaire. Besides, saree and suit shop were also observed. From analysis and interpretation of the data, he concluded that 83.33 percent of buyers used purchase pals and the role of purchase pals is quite important in the choice and reduction of post purchase dissonance as to price. Their role in choice of style and colors is found comparatively less important.

2.5 Research Gap

While trying to gain insight into the decision making behavior of high involvement goods buyers of Nepal, the Nepalese marketing academicians and others are forced to use and assume the models of consumers behavior developed in other countries having quite different consumers, socio-economic and product-market situation than that of Nepal. Hence it is doubtful how far these models are able to explain the behavior of the consumers of Nepal.

In order to understand the consumers' behavior, six comprehensive models were developed namely Nicosia Model, Howard-Sheth Model, Engel Kollat-Blackwell Model, Bethman's Information Processing Model Sheth-Newman Gross Model and Sheth Family Decision Making Model

The first three models (Nicosia Model, Howard-Sheth Model and Engel Kollat-Blackwell Model) focus on consumer decision making, on how individual consumer arrive at brand choices. The fourth model (Bettman's Information Processing Model) focuses on cognitive aspects of information search and processing and indicates how consumers employ information to arrive at various types of buying decisions. The sixth and final model of consumer behavior is concerned with consumption values, especially why consumers choose to buy or not to buy a specific type of product or a specific brand.

A consumer decision process is a five steps process of problem recognition, information search, alternative evaluation, choice and outcome though the nature and type of problem solving varies with the type of product under consideration and other situational influences. Therefore, in order to support the decision process, various components of decision process was developed namely: Problem recognition, Information search, Evaluation of Alternatives, Purchase Behavior and Post Purchase Evaluation.

Similarly, by looking at the previous studies of several researchers, the pattern of search strategies can be divided into five to six clusters such as high search, low search, retail search, interpersonal search, purchase pal assisted shopper, retail shopper and so on.

Studies on consumer's information search behavior usually consider the effort expended on each of these sources on the frequency of their utilization to arrive at overall measures of search. Although these studies report the extent of individual source utilization, but the mean source of search efforts/intensity on individual sources are not comparable since the sources of information vary on the amount of information provided per unit of search efforts.

Pre-purchasing information seeking is one of the most important components of consumer decision process. The nature and the amount of information seeking are likely to make significant influence upon the nature of decision-making process a consumer utilizes. Most of the studies on studies on pre-purchase information seeking suggest that consumers vary in the extent of pre-purchase information seeking activities. The number of variables differ the consumers' level of information search. These variables are: Prior knowledge and Experience, Prior Preference, Evoked Set Size, Confidence in the ability to judge the product, Attitude towards shopping, Time pressure and Consumer Demographics. These variables seem to affect consumers' extent of information seeking.

There exists a vast volume of empirical works that reports the widespread use of interpersonal sources of information (friends, relatives, acquaintances, family members, coworkers and others) by significant number of buyers

Consumers make extensive use of interpersonal sources at different stages of a decision process and for the lack of one's ability to judge by the knowledge and ability of others are the reasons for using such sources of information.

Several researches on consumer behavior have been conducted in Nepal and other countries. Most of the research reflects the greater emphasis on information search. But there is a difference in the evoked size. Product with greater risk reflects higher evoked size and vice-versa. These research shows that most of the respondents taken in these studies are price conscious and brand conscious. There has been extensive use

of purchase pals while purchasing both high involvement goods and low involvement goods.

In a country like Nepal where the product market environment is characterized by low level of education, lack of buying alternatives and lack of sources of information, the present study in area of consumer behavior receives added significance. This area of investigation is complex and uncertain, though extremely promising. The fields of Economics, Psychology, Sociology, and Marketing are all deeply involved in trying to move this research forward, with often conflicting research streams and terminology. However, the end result—gaining a better understanding of how consumers make decisions— is of great theoretical and practical value to all involved. As such, it will continue to be a major research area in all the above fields.

CHAPTER – III

RESEARCH METHODOLOGY

With a view to attain the overall objectives of examining consumers' decision process for high involvement goods (risky and expensive) in Kathmandu valley, this study attempts to identify and analysis prepurchase activities performed by Nepalese buyers of such products. In this chapter, researcher provides a description of the type of data sought for meeting study objectives together with the description of methods and procedures employed for collecting and analyzing the data.

3.1 Research Design

The present study examines the consumers' decision process under high involvement situation. It is a fact-finding study involving collection of data directly from the samples chosen. So, survey research design is used in this study as it seeks response directly from the respondents. Since there is lack of sufficient empirical work in this area in Nepal to increase the researcher's familiarity with the problem, this study is exploratory in nature.

The method of collecting data from the respondents was questionnaire. The respondents were requested to fill up the questionnaire. In order to get the diverse response from the respondents, the questionnaires was distributed to different work groups such as students, teachers, government officials, housewives, retired people and so on. The researcher has tried to make questionnaire as simple as possible so that there wont exist any problems for the respondents in filling up the questionnaires.

Since the main objective of this study is to find the consumers' decision making process while purchasing television sets, therefore, in order to fulfill the objective, the researcher has prepared the following conceptual model which shows how the research has been conducted.

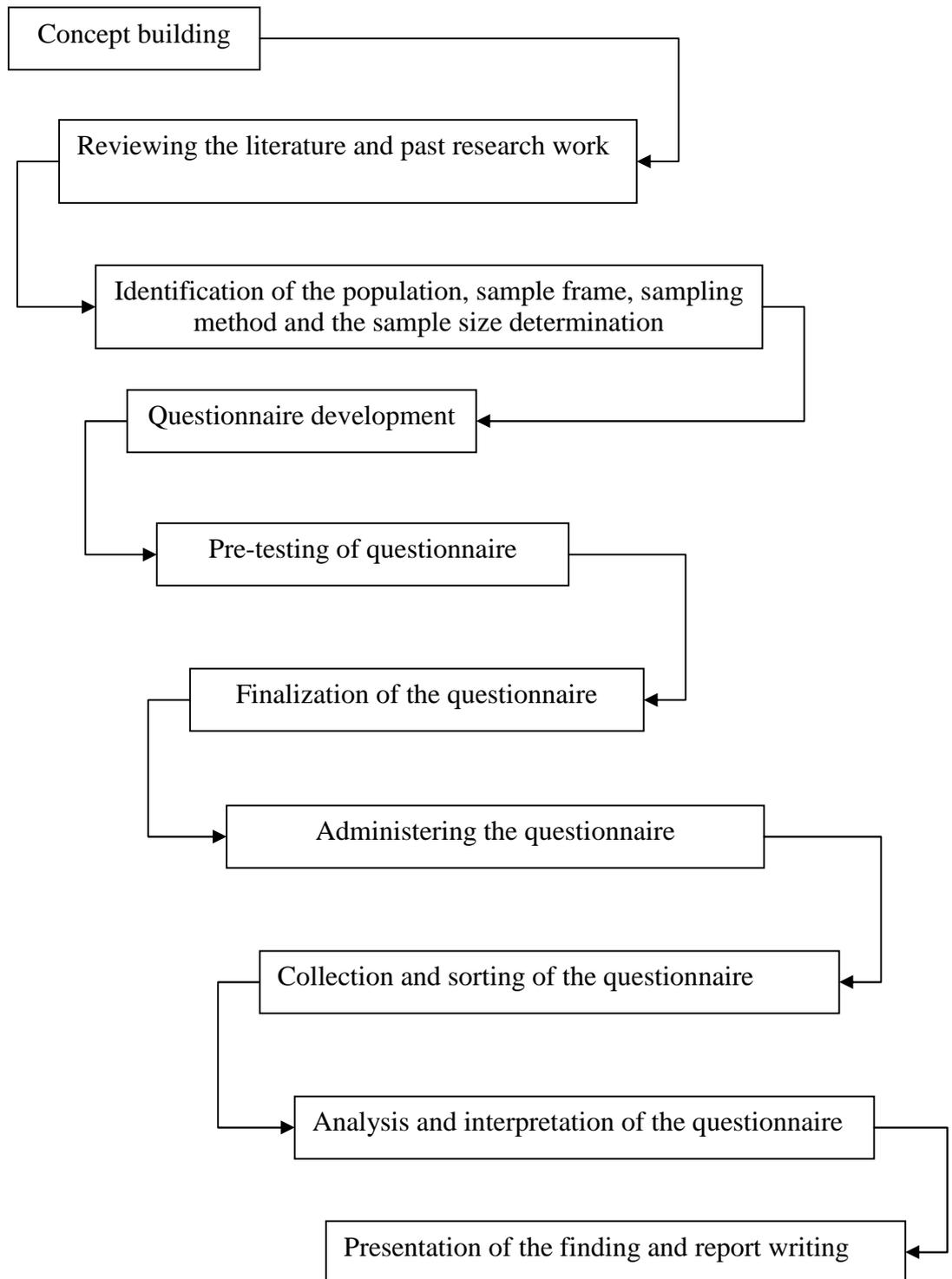


Figure 3.1: Model of Research Design

3.2 Population & Sample of the Study

Product Sample

In this study, television is chosen as the sample product because television is one of the products, which is most risky and thus more involving.

Population & Sampling Unit

Population unit for this study constitutes the household of the people of Kathmandu valley. A total of 120 respondents were selected for the research from the different parts of Kathmandu Valley as sampling unit. The respondents required for this study were selected from those households on the basis of personal contact. Therefore, the questionnaires were distributed to the respondents at their house, colleges, offices, shops and so on.

Sample of Respondents

The sample of respondents used in this study constitutes 120 television sets buyers of Kathmandu valley. The age, sex, marital status, main activity and educational background were taken as major criterion while selecting respondents for this research. The male respondents constitute 60 respondents while female respondents also constitute 60 respondents. Majority of the respondents were aged between 20-30 years old, and only a few respondents were more than 50 years of age and older. 70 respondents were unmarried, while 50 respondents were married. As this study is based on self-reported account of pre-purchase activities of the buyers, accuracy is a crucial factor. So, the respondents used in this study comprise of the television sets buyers from different parts of Kathmandu Valley who bought their television set recently from the date of interview. These respondents include students, housewives, jobholders and retired persons.

The Sampling Method

Convenience sampling method is used in this study. All the samples were selected by this method in order to generate a list of buyers who bought television sets recently. The logic behind using convenience sampling for this study is that there is no any information found regarding the buyers through dealers or retailers of television sets in Kathmandu. Besides, there is no any television sets buyers' information center from which the information of latest buyers can be obtained.

Therefore, researcher used common convenience samples such as friends, relatives, neighbors and others as link persons identifying such persons in their respective localities that bought television sets quite recently from the date of interview.

3.3 Profile of the Sample Study

3.3.1 Respondents' Profile

The first part of the questionnaire was used to obtain some demographic information relating to marital status, sex, age, profession, education, household size and income. The responses to those questions are presented in table 3.1 to 3.5

Marital Status of Respondents

Table 3.1: Marital Status of Respondents

Marital Status	Frequency	Percent
Single	70	58.3
Married	50	41.7
Total	120	100.0

Source: Field Survey, 2009

The Table 3.1 shows the marital status of the respondents. Out of the total 120 respondents, 70 respondents were unmarried which constitutes 58.3% of the total respondents. Similarly, 50 respondents were married and accounts for 41.7% of the total respondents.

Respondents' Sex

Table 3.2: Respondents' Sex

	Frequency	Percent
Male	60	50.0
Female	60	50.0
Total	120	100.0

Source: Field Survey, 2009

Table 3.2 indicates the respondents' sex. Out of total 120 respondents, male respondents were 60 and female respondents were also 60.

Age Groups

Table 3.3: Age Groups

Age Groups	Frequency	Percent
21-30 years old	51	42.5
31-40 years old	38	31.7
41-50 years old	21	17.5
50 over	10	8.3
Total	120	100.0

Source: Field Survey, 2009

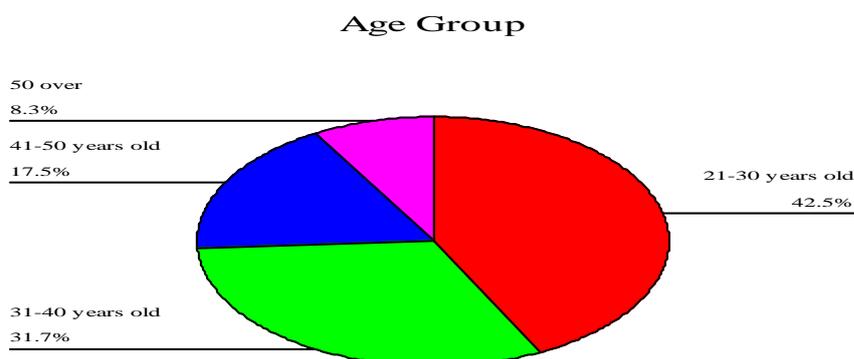


Figure 3.2: Age Groups of the Respondents

Out of total number of samples, 42.5% fall into the age group of 21-30 years, 31.7% into 31-40 years, and 17.5% from 41-50 years and remaining others 8.3% are above 50 years. The most active buying age group according to our samples is 21-30 years.

Main Activity

In order to know the occupation of the respondents, the activities has been categorized into three parts; working, studying and otherwise. Otherwise includes housewives, retired person and so on.

Table 3.4: Main Activity of Respondents

Main Activity	Frequency	Percent
Working	56	46.7
Studying	32	26.7
Otherwise	32	26.7
Total	120	100.0

Source: Field Survey, 2009

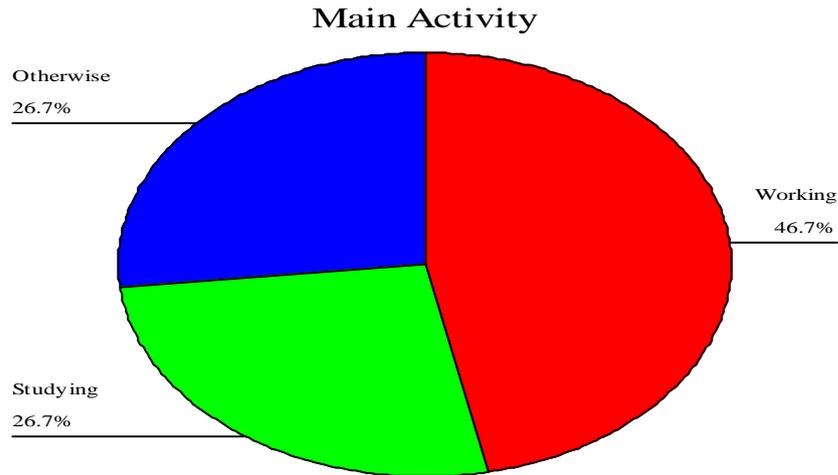


Figure 3.3: Main Activity of the Respondents

Table 3.4 indicates the main activities the respondents were doing at the time of filling up the questionnaires. Out of 120 respondents, 56 (46.7%) respondents were working, 32 (26.7%) were studying and 32 (26.7%) respondents were either housewives or retired personnel.

Educational Background

In order to know the educational background of the respondents, the options were categorized as Intermediate level, Graduate, Post Graduate and Above Post Graduate.

Table 3.5: Educational Background of Respondents

Educational background	Frequency	Percent
Intermediate	17	14.2
Graduate	58	48.3
Post Graduate	41	34.2
Above Post Graduate	4	3.3
Total	120	100.0

Source: Field Survey, 2009

Educational background

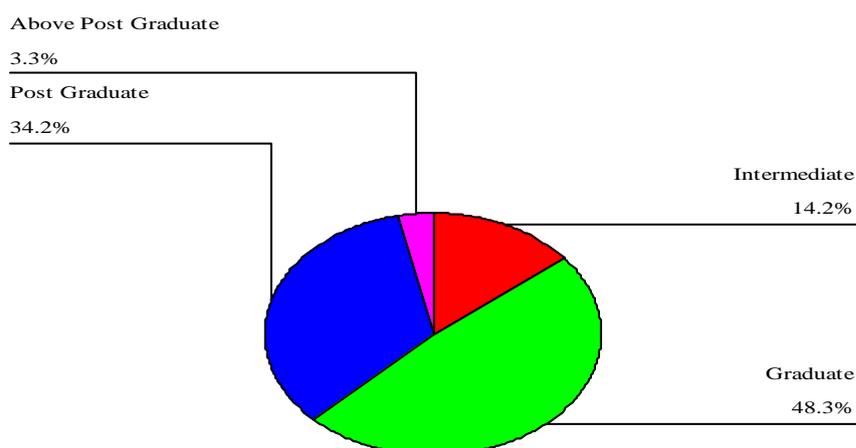


Figure 3.4: Educational Background of the Respondents

Table 3.5 shows the educational background of the surveyed television buyers. As shown above, 14.17% have Intermediate level education, 48.33% have Graduate level education, and 34.17% have Post Graduate level education and rest 3.33% were above Post Graduate level.

Household Size

The household size means the total family members. Therefore, respondents were requested to provide their household size, which will be helpful in the data analysis.

Table 3.6: Household Size

Household Size	Frequency	Percent	Mean Household Size
3	28	23.3	
4	25	20.8	
5	36	30.0	
6	13	10.8	
7	17	14.2	
8	1	.8	
Total	120	100.0	4.74

Source: Field Survey, 2009

Table 3.6 concerns the size of respondents' household size. It is shown in the table that 23.3% of respondents have 3 family members, 20.8% have 4 family members, 30% have 5 family members, 10.8% have 6 family members and about 15% respondents have family members of 7-8. The average household size of the total respondents is 4.74 per family.

Monthly Income of Household

In order to know the households' monthly income of the respondents, the income level was categorized from Rs.10000 to more than Rs.25000. Each respondent were requested to provide the total income of the household.

Table 3.7: Households' Monthly Income

Households' Monthly Income	Frequency	Percent
Rs. 10000 - Rs. 15000	9	7.5
Rs. 15001 - Rs. 20000	9	7.5
Rs. 20001 - Rs. 25000	43	35.8
Rs. 25001 +	59	49.2
Total	120	100.0

Source: Field Survey, 2009

Table 3.7 describes the respondent's household monthly income level. As shown, 7.5% of respondents have income level of Rs.10000- Rs.15000 and another 7.5% of respondents' household have income level of Rs.15000- Rs.20000, 35.8% respondents' household have income level of Rs 20000- Rs.25000 and 49.2% have income level of Rs. 25000 or more than that.

3.4 Nature and Sources of Data

The sources of data in this study are basically primary in nature. Questionnaire was used as the primary source of collecting data. Likewise, the researcher also used some secondary sources of data such as articles on consumer decision making and consumer behavior, marketing journals, business journals, marketing text book, internet, past thesis and so on.

3.5 Data Collection Procedure

The data was collected through a self-administered questionnaire at respondent's place at mutually convenience time. Based on the review of literature, a comprehensive questionnaire was developed which included questions pertaining to patterns of decision making strategies involved in various stages of decision making process and situational variables likely to affect decision process. Moreover a few additional questions have also been asked for probing.

3.6 Necessary Tools & Technique

3.6.1 Statistical Tools

In order to analyze the respondents' self reported data on their search and choice behavior relating to the purchase of a consumer durable product like television sets, the collected data are thoroughly checked through the statistical procedures such as frequencies, percentages, means and the standard deviation. Similarly, the graphical representation of the data table, pie chart and the likes are used. Analysis is done descriptively as well as statistically. For statistical analysis, statistical tool such as Chi square test, Mean, Standard deviation and range are used.

3.7 Data Processing Procedure

The objective here is to guarantee that data are accurate, consistent with intent of the questionnaire and other information in the survey, uniformly entered, completed and well arranged to simplify coding and tabulation. All the information acquired from the respondents was handled carefully to give the best possible meaning. In order to do so, statistical program named SPSS is used to process all the information and also the Microsoft Excel is used to process some data that were not applicable to SPSS program. Before the data were put in the software program, all the responses were edited to ensure that there is no overwriting in the questionnaire. Only those questionnaires were used in interpretation that had had substantial amount of the responses on the asked questions.

Similarly, in SPSS program, numerical numbers were used to assign each response such as 0, 1, 2, 3...6 and the program performed remaining task such as analyzing, counting frequencies and so on.

3.8 Hypotheses

Based on the findings of the past studies and the characteristics of Nepalese product markets and consumers, researcher hypothesizes about some of the major characteristics of strategies consumers use. These are as follows:

H₁: The given sources have equal influence on consumers regarding need recognition.

H₂: The consumers give equal emphasis on the interpersonal sources and external sources of information while purchasing television sets.

- H₃: The consumers equally use the given types of purchase pals in order to make final purchase of television sets.
- H₄: The consumers' considerations of brands and models of television sets in evoked set are large in size.
- H₅: There is a relationship between the age group and the decision maker.
- H₆: There is a relationship between the households' monthly income and the brand name.
- H₇: There is a relationship between the respondents' sex and their decision making for high involvement goods.
- H₈: There is a relationship between the respondents' marital status and their final decision making for high involvement goods.

CHAPTER - IV

PRESENTATION AND ANALYSIS OF DATA

The first section of this chapter incorporates the television marketing in Kathmandu valley and remaining section contains analysis and interpretation of data relating to consumers' decision making process under high involvement purchase situation. A Chi-square test is also done to examine the relationship of certain variables such as the age group, household size, households' monthly income, education and so on.

4.1 Television Marketing in Kathmandu Valley

Television marketing started in Kathmandu valley after the establishment of Nepal Television in 1985. Nepal television is perhaps one of the youngest television in Asia, it started as a project in January 1985 under the sixth development plan (1980-1985) in which a provision was made "to undertake feasibility study of the establishment of television in the country and to begin TV transmission service at selected places if found feasible from economic and technical standpoint". Despite doubts felt by many, it began its experimental transmission for Kathmandu valley in a very modest manner with VHF equipment and in the VHF band in those days there were only about 400 TV sets, the majority of which were used basically for video purpose. Some of these receivers were also used for receiving Doordarshan signals. The thirst of TV programs was growing. When Nepal TV went on air with its thirty minute's transmission, the number of TV sets increased dramatically. A 100 Watt transmitter was then set up to cover Kathmandu valley during this experimental transmission regular transmission of two hours commenced by the end of 1985. In February of 1986, it becomes a full fledged corporation under the communication Act of Government (Internet). After this number of television purchase is increasing gradually and it became very high after the restoration of multi party democracy due to privatization and flexible Communication Act adopted by then government.

The researcher collected information relating the television marketing by different companies in Kathmandu valley within six years, which have been presented in Table 4.1. It is evident from the table 4.1 that numbers of television sets sold were increasing every year in Kathmandu valley.

Table 4.1: Television Marketing by Different Companies in Kathmandu Valley for recent six years

Years	Number of TV sets	Years	Number of TV sets
2003	3615	2006	8475
2004	6525	2007	9155
2005	7015	2008	9395

Source: Dealers and Agent of Different Television Seller in Kathmandu Valley

Table 4.2 shows the purchase of different brand TV sets by consumers in Kathmandu valley. As shown in table 4.2, 32.5% of television sets sold were Sony brand of television while 25.8% of television sets sold were LG brand, 20.8% of television sets sold were Samsung, 10.00% of television sets sold were Philips and 10.8% of television sets sold were other brands such as Konka, Mitsuma, TCL, Sharp, Toshiba, Videocone and Panasonic. It is evident from the table 4.2 that almost 90% of television sets sold were renowned brands of television such as, Sony, Samsung, Philips and LG. However other brands are also considered equally important.

Table 4.2: Different Brand Television Set Sold in Kathmandu Valley in 2008

Brand Name	Number of TV sets Sold	Percent
Sony	3053	32.5
LG	2424	25.8
Samsung	1954	20.8
Philips	940	10.0
Others	1024	10.8
Total	9395	100.0

Source: Dealers and Agent of Different Television Seller in Kathmandu Valley

4.1.1 Analyses and Interpretation of Data Relating to Consumers'

Decision Process under High Involvement Purchase Situation

Brand Preference

Different respondents do have different choice and taste. Some prefer quality product whereas other prefers nominal products. Therefore, in order to know the brand preference of the respondents, the brand names provided to the respondents are; Sony, LG, Samsung and Philips. Other includes some other brand beside these four brands. So other includes brands such as Daewoo, Sharp, TCL, Panasonic, Konka, Mitsuma,

and Toshiba, C.G and so on. The researcher selected only these four brands because these brands record the higher number of sales in Kathmandu.

Table 4.3: Brand Preference

Brand Name	Frequency	Percent
Sony	39	32.5
LG	31	25.8
Samsung	25	20.8
Philips	12	10.0
Others	13	10.8
Total	120	100.0

Source: Field Survey, 2009

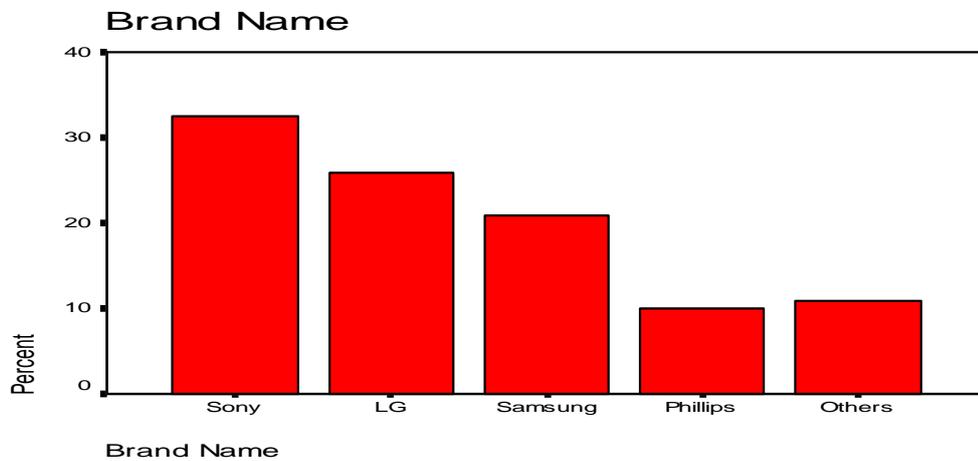


Figure 4.1: Brand Preference

Table 4.3 and Figure 4.1 shows the brand references of surveyed respondents. As shown above, 32.5% of respondents purchased Sony brand of television while 25.8% of respondents purchase LG brand, 20.8% purchase Samsung, 10.00% purchase Philips and 10.8% respondents purchased other brands such as Konka, Mitsuma, TCL, Sharp, Toshiba, Videocone and Panasonic.

It is evident from the above table that almost 90% of respondents purchase renowned brands of television such as, Sony, Samsung, Philips and LG. However other brands are also considered equally important.

Need Recognition

Any consumers' buying process starts from need recognition. In fact, consumers must have needed in order to purchase something. The need recognizer in the research was categorized as; Father, Son/Daughter, Myself, Brother/Sister and Spouse

(Husband/Wife). The following table shows the frequency of need recognizer of sampled respondents.

Table 4.4: Need Recognizer

Need Recognizer	Frequency	Percent
Father	36	30.0
Son/ Daughter	15	12.5
Myself	38	31.7
Brother/ Sister	10	8.3
Spouse (Husband/Wife)	21	17.5
Total	120	100.0

Source: Field Survey, 2009

Table 4.4 shows the need recognizer of considered respondents. As shown, 31.7% of respondents recognized the need of buying television by themselves, 30% of respondents recognized need by their parent (father), 17.5% of respondents recognized by their spouse (husband/wife), 12.5% recognized by their son/daughter and only 8.3% of respondents recognized the need by their brother/sister.

Sources of Need Recognition

Although the need recognizer is one person but that person gets some assist from other people as well when the former tries to purchase TV sets. Therefore, the respondents were requested to provide information as who assisted the need recognizer in recognizing the need to purchase TV sets. Therefore, six options were provided to respondents as a source of need recognition namely; Neighbour, peer groups, own experience, product importance, advertisement and word of mouth.

Table 4.5: Sources of Need Recognition

Sources of Need Recognition	Frequency	Percent
Neighbour	20	16.7
Peer groups	14	11.7
Own experience	51	42.5
Product importance	17	14.2
Advertisement	8	6.7
Word-of- mouth	10	8.3
Total	120	100.0

Source: Field Survey, 2009

Table 4.5 incorporates the need recognition sources of respondents. 16.7% of respondents recognized the television buying need through neighbor, 11.7% of respondents recognized need through peer groups/colleagues, 42.5% recognized need through own experiences or inner motive, 14.2% recognized through product importance, 6.7% through advertisement and remaining 8.3% of respondents recognized the need of buying television sets through word of mouth

The above table also clearly explains that among the different sources; own experience, product importance and neighbor are those sources through which 70% of respondents recognized their television sets buying need.

Chi-square Test:

Here, the chi-square test has been conducted in order to know whether the given source (source of need recognition) have equal influence on consumers regarding need recognition. Therefore, following are the null hypothesis, alternate hypothesis and level of significance for the Chi-square test.

Null Hypothesis: The given sources do not have equal influence on consumers regarding need recognition

Alternate Hypothesis: The given sources have equal influence on consumers regarding need recognition

As per the Chi-square test, the tabulated value of Chi-square at 5% level of significance for 20 d. f. is 31.410. But the calculated value of Chi-square is 46.002 (Appendix-B), which is more than its tabulated value (i.e. 31.410). So Null hypothesis is rejected i.e. the given sources have equal influence on consumers regarding need recognition. In other words, the given sources such as neighbor, peer groups, product importance and advertisement of products does helps in the recognizing the needs for buying television sets by the respondents.

Information Sources

In order to estimate the extent of information seeking of TV sets buyers, the respondents were asked three questions relating to the number and types of sources, no. of times the sources used and time spent on each of the sources used.

The descriptive statistics obtained from the responses of 120 respondents regarding the types of sources of information used are presented in the table given below:

Table 4.6: Sources of Information

Sources of Information	Frequency	Percent
TV Sets Advertisement	4	3.3
Printed Advertisement	7	5.8
Friends/Family Members	37	30.8
Visit to Dealers	45	37.5
Talking to Sales Person	14	11.7
Checking Models in Showrooms	13	10.8
Total	120	100.0

Source: Field Survey, 2009

Although the respondent does seek more than one sources of information before purchasing television sets but they were asked to mark the most appropriate one only.

So, from Table 4.6, we can see that only 3.3% respondents (i.e.4 respondents) has used television sets advertisement as a sources of information, 5.8% respondents (i.e.7 respondents) obtains information through printed advertisements, 30.8% of respondent (i.e.30 respondents) obtains information by consulting with their friends and family members, 37.5% of respondents (i.e.45 respondents) obtains information by visiting dealers of television, 11.7% respondents (i.e. 14 respondents) obtains information by consulting with sales persons and remaining 10.8% respondents (i.e.13 responses) obtains information through checking models in the showrooms. Therefore, as observed in the above table, friends and family members and visits to dealers are used by the buyers as most important among the available sources of information.

To conclude, the buyers of high involvements goods (i.e. television sets) do undertake external search efforts along with internal search for seeking out information relevant to make a purchase decision.

Chi-square Test:

In order to know whether the consumer give equal emphasis on the interpersonal source and external sources of information while purchasing television sets, a Chi-square test is conducted with 5% level of significance.

Null Hypothesis: The consumers do not give equal emphasis on the interpersonal sources and external sources of information while purchasing television sets.

Alternate Hypothesis: The consumers give equal emphasis on the interpersonal and external sources of information while purchasing television sets.

Level of Significance: 0.05 (5%)

According to Chi-square test, the tabulated value of Chi-square at 5% level of significance for 5 d. f. is 11.071. But the calculated value of Chi-square is 71.200 (Appendix-C), which is more than its tabulated value (i.e. 11.071). Therefore, Null hypothesis is rejected i.e. the consumers give equal emphasis on the interpersonal and external sources of information while purchasing television sets. In other words, the respondents have used different interpersonal and external sources of information before purchasing a TV set.

Sources Used Frequency

To find out the number of times the sources of information used by the respondents, they were requested to mention how many times did they use the sources of information which is enlisted in the below table.

Table 4.7: No. of Times Sources Used By Respondents

Sources	1-3 times	%	4-6 times	%	7-10 times	%	No Response	%	Total Respondents
Visit to dealer	78	65	41	34.17	1	0.83	-		120
Friends/ Family Consulted	72	60	44	36.67	4	3.33	-		120
Adv. Consulted	69	57.5	15	12.5	4	3.33	32	26.67	120
Salesperson Consulted	59	49.17	59	49.17	2	1.66	-		120

Source: Field Survey, 2009

In Table 4.7, various sources of information are presented along with frequency of their utilization. Regarding the visit to dealer, out of 120 respondents, majority has visited dealer 1-3 times to get proper information regarding TV sets. Similarly, 41 respondents has visited TV sets dealer 4-6 times and only 1 respondent has visited 7-10 times prior to purchase of TV set.

Prior to purchase of TV sets, 72 respondents has consulted their friends or family 1-3 times, 44 respondents has consulted 4-6 times and only 4 respondents has consulted 7-10 times. Similarly, advertisement has also been taken as a source of information by the respondents. Various forms of advertisement such as printed advertisement, radio

advertisement and television sets advertisement were taken as a source of information prior to the purchase of the TV sets. More than half respondents has seen, heard or read advertisement 1-3 times regarding various TV sets. But 32 respondents didn't respond regarding the advertisement as the source of information prior to purchase. Regarding sales person consulted, around 98% respondents has consulted sales person 1-3 times or 4-6 times.

Table 4.8: Mean, Standard Deviation and Range Of Sources Used Frequency

	N	Mean	Std. Deviation	Minimum	Maximum
No. of Visits to Dealers (in times)	120	3.08	1.38	1	10
No. of Friends/ Family Consulted (in times)	120	3.43	1.39	2	10
No. of Advertisement Consulted (in times)	88(32 no response)	2.60	1.64	1	10
No. of Salespersons Consulted (in times)	120	3.62	1.55	1	9

Source: Field Survey, 2009

Similarly, looking at Table 4.8, we find that the mean times the respondents used while collecting various information prior to the purchase of TV sets. On an average, the respondents went to TV sets dealers 3.08 times, number of friends and family consulted 3.43 times, average number of times advertisement consulted 2.60 times and average number of times sales person consulted 3.62 times. The standard deviation found from the respondents' response around 1.45, which indicates a high deviation in the respondents' response. And the minimum time respondent using frequency is 1time and the maximum is 10 times.

Therefore, we can see that majority of the respondents does collect various information prior to the purchase of the high involvement goods as TV sets.

Time Spent on Information Search

Here, the respondents were requested to provide the estimated time (in minutes) they have spent on searching various sources of information. The information sources presented in the following table are friends and family members, printed advertisement, TV sets advertisement, checking model, talking with sales persons and reading the manufacturing brochures.

Table 4.9: Time Spent on Various Sources

Time spent	1 to 30 (Minutes)	%	30 to 60 (Minutes)	%	Total
Information sources					
Friends and Family members	69	57.5	51	42.5	120
Printed Advertisements	115	95.83	5	4.17	120
TV Sets Advertisements	120	100	0	00	120
Checking Models	49	40.83	71	59.17	120
Sales Persons	65	54.17	55	45.83	120
Reading Brochures	104	86.67	16	13.33	120

Source: Field Survey, 2009

Table 4.9 shows the time spent by respondents on various sources to get the information regarding the product. Regarding the various information sources, majority of the respondents has spend about 1-30 minutes in collecting the information, but while checking various models of TV sets, respondents were seen to be spending more time. Similarly, respondents were also seen to be spending significant amount of time in consulting with the friends/family and a sales person prior to the purchase of the TV sets.

Table 4.10: Mean, Standard Deviation and Range of Time Spent on Information Search

	N	Mean	Std. Deviation	Minimum	Maximum
Time Spent of Consulting Friends/Relatives (in minutes)	120	35.75	17.15	5	60
Time Spent on Reading Advertisement (in minutes)	120	12.88	10.08	5	60
Time Spent on Watching TV Sets Advertisement (in minutes)	120	13.87	6.31	3	30
Time Spent on reading manufacturing brochures (in minutes)	120	22.83	10.78	5	60
Time Spent on Checking Around Showrooms (in minutes)	120	41.08	14.51	15	60
Time Spent on Talking to Sales Persons (in minutes)	120	37.67	13.96	10	60

Source: Appendix

Likewise, by looking at Table 4.10, the mean minutes spent on information search are: 35.75 minutes on consulting friends and family, 12.88 minutes on reading advertisement, 13.87 minutes on watching TV sets advertisement, 22.83 minutes on reading brochures, 41.08 minutes on checking models around showrooms and 37.67 minutes on talking with sales persons. Similarly, the respondents' response has been highly deviated. The highest deviation in response is found in time spent on consulting friends/family and the least deviation is found in time spent on watching TV sets advertisement. The average minimum time spent on information search has been 8 minutes and the maximum time spent has been 60 minutes.

Therefore, we can say that since TV sets is a risky product for majority of the respondents, spending more time will ensure them to get proper product.

Purchase Pals

The researcher also examined the influence of purchase pals as information sources who actually accompany consumers on shopping trips. Although in overall consumer decision process, a purchase pal is an important factor, which plays a vital role in selecting a particular brand by the buyers. Buyers often take the help of purchase pals while doing information search and during final purchase of the product for different reasons. In order to obtain the information relating to purchase pals, respondents were asked different questions regarding purchase pal users, reasons for using purchase pals and accompanied persons. The table enlisted below shows the descriptive statistics of purchase pal users.

Table 4.11: Purchase Pal Users

Purchase Pal Users	Frequency	Percent
Alone	34	28.3
A Friend	26	21.7
A Relative	36	30.0
Spouse	21	17.5
Others	3	2.5
Total	120	100.0

Source: Field Survey, 2009

As observed in Table 4.11, 86 respondents that constitute 71.67% of the total sample went with someone to buy television. Out of which, 62 respondents went with friends and relatives whereas 24 respondents went with their spouse or with somebody else. Only 34 respondents went alone to purchase television. As shown, the large majority of respondents used purchase pals relevant to make purchase decision.

Chi-Square Test

In order to know whether the consumers equally use the given types of purchase pals in order to make final purchase of television sets, the chi-square test has been conducted.

Null Hypothesis: The consumers do not equally use the given types of purchase pals in order to make final purchase of television sets.

Alternate Hypothesis: The consumers equally use the given types of purchase pals in order to make final purchase of television sets.

Level of Significance: 0.05 (5%)

Table 4.12: Chi-Square Test of Purchase Pal Users

	Went Alone or with Someone to Buy TV Sets
Chi-Square	29.083
d.f	4
Asymp. Sig.	.000

As per the Chi-square test, the tabulated value of Chi-square at 5% level of significance for 4 d. f. is 9.49. But the calculated value of Chi-square is 29.083, which is more than its tabulated value (i.e. 9.49). So, Null Hypothesis is rejected i.e. the consumers do equally use the given types of purchase pals in order to make final purchase of television sets.

Reasons for Using Purchase Pals

Purchase pals can be used for different reasons, which vary with consumers. In the table given below shows the different reasons for using purchase pals.

Table 4.13: Reasons for Using Purchase Pals

Reasons for Using Purchase Pals	Frequency	Percent
To help me to decide which one to buy from different brands	30	25.0
To get bargains from the dealers	9	7.5
To check how he/she feels about my choice	1	.8
To get his/her help in inspecting different models	18	15.0
To make sure I am choosing the right TV sets for me	28	23.3
Total Respondents using purchase Pals	86	71.7
Total Respondents not using purchase Pals	34	28.3
Total Respondents	120	100.0

Source: Field Survey, 2009

As describe in Table 4.13, it is found that 30 respondents (25% of the total respondents) used purchase pals to help to decide which one to buy from different brands. Similarly, 28 respondents (23.3% of respondents) used purchase pals to help to make sure that their chosen brand is the right one.

Likewise, 18 respondents (15% of total respondents) used purchase pals to get help in inspecting the different brands of television sets, 9 respondents (7.5% of total respondents) went with purchase pals to get bargains from dealers. And only 1 respondent went along with purchase pals to check how he/she feels about their chosen brands.

Thirty-four respondents (28.3% of total respondents) didn't use purchase pals, since they are going alone to purchase TV sets.

Evoked Set Size

The number of purchase alternatives considered by consumers at the outset of decision process is called evoked set, which is believed to affect their extent of information seeking.

In the table given below, percent of buyers having varying number of evoked brands and models are presented along with histogram.

Table 4.14: Evoked Number of Brands and Models

Evoked No.	Brands	%	Models	%
1	9	7.5	8	6.7
2	28	23.3	22	18.3
3	66	55.0	49	40.8
4	17	14.2	41	34.2
Total	120	100.0	120	100.0

Source: Field Survey, 2009

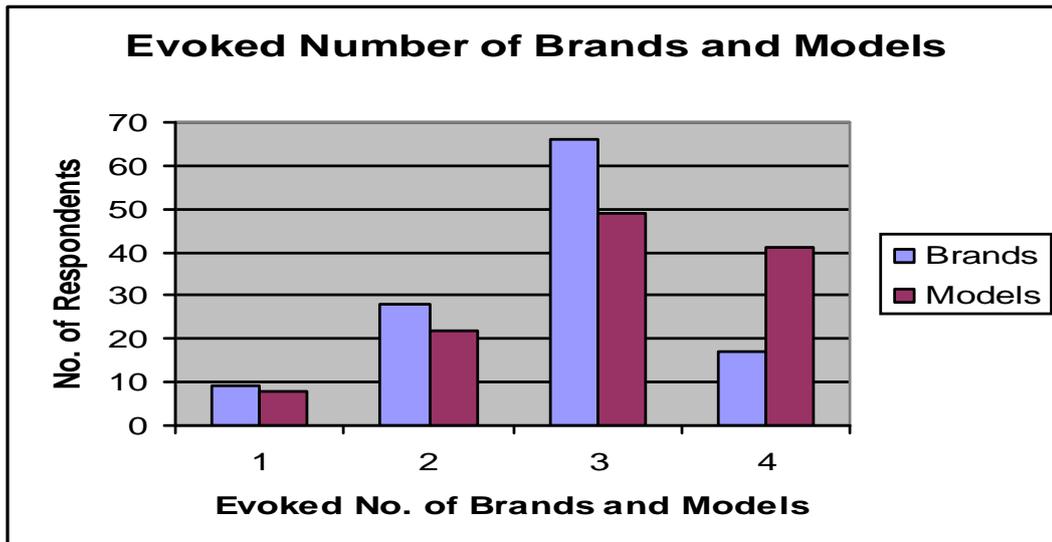


Figure 4.2: Evoked number of Brands and Models

As indicated by Table 4.14 and figure 4.2, the evoked number of brands ranges from one to four. As shown, the number of buyer having one evoked brand is only 7.5% of the total sample (i.e. 9 respondents in a total of 120 respondents) while 28 respondents amounting to 23.3% of the total sample have considered two brands at the outset of decision process. Likewise, 55% of respondents (i.e.66 respondents) have considered three brands and other 14.2% of the total respondents (i.e.17 respondents) are found to have considered four brands available in the market for purchasing.

On the other hand, the evoked number of models also ranges from one to four with 6.7% of total respondents (i.e.8 respondents) considered only one model as purchase candidate. As seen in the table above, 18% of respondents (i.e.22 respondents) are found to have considered two evoked models before purchasing TV. However, the numbers of respondents considering three models as purchase candidates are 49 respondents (i.e. 40.8% of the total respondents) with 41 respondents amounting to 34.2% of the total sample have considered four models as purchase candidates.

To conclude, it can be said that despite of having the opportunity to consider wide range of brands and models as possible purchase candidates the Nepalese television sets buyers have rather small size of evoked set for both the brands and models of television sets.

Chi-Square Test

A Chi-square test was conducted to know if the consumers' consideration of brands and models of television sets is large or small in size.

Null Hypothesis: The consumers' consideration of brands and models of television sets in evoked set is large in size.

Alternate Hypothesis: The evoked set of consumers is small in size for both the brands and models of television sets.

Table 4.15: Chi-Square Test for Evoked Number of Brands and Models

	No. of Brands Considered before Purchase	No. of Models Considered before Purchase
Chi-Square	63.667	34.333
df	3	3
Asymp. Sig.	0.000	0.000

According to Chi-square test, the tabulated value of Chi-square at 5% level of significance for 3 d. f. is 7.815. But the calculated value of Chi-square is 63.667 (in case of number of brands considered before purchase), which is more than its tabulated value (i.e. 7.815). So, Null Hypothesis is rejected i.e. the evoked set of consumers is small in size for the brands of television sets.

Similarly, the calculated value of Chi-square is 34.333 (in case of number of models considered before purchase), which is more than its tabulated value of 7.815. So Null Hypothesis is rejected i.e. the evoked set of consumers is small in size for the models of television sets.

Evaluation of Alternatives

When evaluating potential alternatives, consumers tend to use two types of information i.e. evoked set and the criteria they will use to evaluate each brand. The criteria consumers used to evaluate the brands that constitute their evoked sets usually are expressed in terms of important product attributes.

In this study, the product attributes that consumers used as criteria in evaluating different brands of products are Screen, Sound and Picture, Price, Brand Image and Multiple Functions of the TV sets. Therefore in order to find out which criteria is most important and which one is least important among different evaluation criteria, the following table 4.16 shows the required result.

Table 4.16: Evaluation Criteria

Criteria	Screen		Sound & Picture		Price		Brand Image		Multiple Functions	
	No	%	No	%	No	%	No	%	No	%
1	65	54.0	82	68.3	46	38.3	54	45	36	30
2	38	31.7	35	29.2	37	30.8	53	44.2	44	36.7
3	17	14.2	3	2.5	35	29.2	8	6.7	34	28.3
4	-	-	-	-	2	1.7	5	4.2	6	5
5	-	-	-	-	-	-	-	-	-	-
Total	120	100	120	100	120	100	120	100	120	100

1= Most Important, 2= Important, 3= Neutral, 4= Less Important, 5= Least Important

In Table 4.16, 54% of respondents (65 respondents) rated screen as most important criteria for evaluation of different alternative, whereas 31.7% of respondents (i.e.38 respondents) rated price as an important criteria, 14.2% respondents (i.e.17 respondents) rated price as neutral i.e., they cannot rate whether the screen can be evaluated as important or less important.

On the other hand, 68.3% of respondents (i.e. 82 respondents) considered sound and picture as most important criteria for evaluation of alternatives, whereas 29.2% of respondents (i.e. 35 respondents) evaluated different alternatives by rating sound and picture as an important criteria. Similarly, only 2.5% of total respondents (i.e. 3 respondents) rated sound and picture as neutral.

In case of price as another evaluation criteria, 38.3% of total respondents (i.e. 46 respondents) rated as most important criteria, 30.8% of total respondents (i.e.37 respondents) rated as an important criteria, 29.2% of total respondents (i.e. 35 respondents) rated as neutral and only 1.7 % of total (i.e. 2 respondents) rated price of TV sets as less important evaluation criteria.

Likewise, 45% of total respondents (i.e. 54 respondents) evaluated the different brands of television by considering television brands as most important criteria while 44.2% of the total respondents (i.e. 53 respondents) rated brand image of TV sets as an important criteria. Similarly, 6.7% of total respondents (i.e.8 respondents) rated as

neutral and 4.2% of total respondents (i.e.5 respondent) rated brand image of TV sets as less important.

As regards to the multiple functions of the TV sets, 30% of total respondents (i.e.36 respondents) completed their evaluation process by considering multiple functions of the TV sets as most important criteria. Following 36.7% of total respondents (i.e.44 respondents) evaluated by rating the multiple functions of the TV sets as an important criteria, 28.3% of total respondents (i.e.34 respondents) rated the evaluating criteria as neutral and only 5% of total respondents (i.e.6 respondents) rated by evaluating the multiple functions of the TV sets as less important criteria

Therefore by looking at the Appendix-D, we can say that regarding the screen as evaluating criteria among different alternatives, the mean found is 1.60, which is in between the most important and important criteria. Similarly, regarding this criteria, the minimum rating that the respondents has given is 1 (i.e. most important) and the maximum rating that the respondents has provided is 3 (i.e. neutral). Regarding the deviation in evaluating the criteria, the deviation found is 0.73 which shows there is not much deviation in the respondents' view while evaluating the screen as major criteria among different alternatives.

Similarly, in case of screen and picture as evaluating criteria, the mean found is 1.34 which is also in between most important and important. But most of the respondents have evaluated screen and picture as most important criteria. Regarding the rating provided, the minimum rating given by respondents is 1 and the maximum rating given is 3. The standard deviation found while evaluating is 0.53, which shows there isn't much deviation among the respondents while evaluating the criteria.

Another evaluating criterion among different alternatives is price. In this criteria, the average mean is 1.94 which is also in between most important and important but it can be considered as important factor as it is closest to 2 which indicates important. Similarly, the respondent has provided the minimum rating of 1 and the maximum rating of 4. The standard deviation in the evaluation criteria of different respondent is 0.86 which is less than 1. So this indicates there is no deviation among the respondents' decision while evaluating prices of TV sets among different other alternatives.

Similarly, regarding brand image, the mean found is 1.70 i.e. the respondent does consider brand image to be important factor while purchasing TV sets among different other alternatives. The minimum rating given by respondent is 1 and the maximum return given is 4. The deviation found among the respondents' decision is 0.77 which is less as compare to deviation found while evaluating price.

The last evaluating criterion multiple functions of TV sets has a mean of 2.08. This is the only criteria where majority respondents had seen multiple functions as important factor rather than most important factor. Similarly, the minimum rating provided by respondents is 1 and the maximum rating provided is 4. The standard deviation while evaluating criteria is 0.88, which is high as compare to other evaluating criteria but we didn't find much deviation in the overall decision of the respondents.

In overall we can say that most of the evaluating criteria do reflect significant importance while purchasing one television brand among several other alternative brands.

Purchasing Factor

After engaging in evaluation of the alternatives the consumer's next step in the decision process is to make choice or purchase among alternatives, consumers make a variety of choice on the basis of different factors but sometimes consumers may chose or purchase between non comparable alternatives as well.

However, the following table describes the different purchasing factors on the basis of which the sampled respondents made purchase decision of television sets. Therefore, in order to know which of the purchasing factors (warranty, discount, mode of payment, after sales service and prize schemes) are most considered and least considered for the respondents, the table below reflects all the results.

Table 4.17: Purchasing Factors

Factors Rating	Warranty		Discounts		Mode of Payment				After Sales Service		Prize Schemes	
	No	%	No	%	Cash	%	Insta llme nt	%	No	%	No	%
0	108	90.0	57	47.5	37	30.8	57	47.5	98	81.7	22	18.3
1	12	10.0	63	52.5	83	69.2	63	52.5	22	18.3	98	81.7
Total	120	100	120	100	120	100	120	100	120	100	120	100

0=Most Considered, 1= Least Considered

By looking at Table 4.17, we can see a mixed reaction regarding the various purchase factors while making a purchase decision. In one side, respondents had given a high priority for warranty and after sales service and on the other hand; the respondents haven't much considered the factors such as discounts, mode of payment (cash & installment basis) and prize schemes.

Similarly, by looking at the Appendix-E, the mean, standard deviation and the range of the ratings of the various purchasing factors shows mixed views of the respondents.

In case of warranty, the mean found is 0.1 i.e. most of the respondents do consider it to be major purchasing factor while purchasing TV sets. Similarly, the standard deviation found is 0.3 which shows that there isn't much deviation among respondents' view while considering warranty as purchasing factor.

In case of discount, the mean found is 0.53 which reflects majority of respondents doesn't considered it to be major factor while purchasing TV sets. The standard deviation in the respondents' decision is 0.5 which is high as compare to warranty. In this case, we can find some deviation in the decision of the respondents.

Regarding modes of payment most of respondents prefer installment rather than cash, the mean is 0.69 which shows that more than half the respondents doesn't considered it to be major factor while purchasing TV sets. Similarly, the standard deviation found is 0.46 which also reflects not much deviation in the respondents' decision.

The forth major factor while purchasing TV sets is after sales service. The mean found is 0.18 which reflects most of the respondents do consider it to be major factor. Similarly, the standard deviation found is 0.39 which is less as compare to discount and modes of payment factors.

The last factor is prize schemes. The mean found for prize schemes is 0.82 which shows majority of respondents doesn't consider it to be major factor while purchasing TV sets. The standard deviation for this factor is 0.39 which shows there isn't much deviation in the decision regarding the prize schemes as purchasing factor.

4.2 Differences in the Decision-Making Process

The decision making process of TV sets is more characterized as a group process and as well as individual process. There is always a difference in the decision making process for the purchase of high involvement goods like television sets. In context of

Nepal, if there is a joint family then we will find a group decision making process and vice versa. So the following table provides an overview of the differences in the decision making process of the people of Kathmandu.

Table 4.18: Characteristics of the decision making process

Characteristics of Decision making	No. of Respondents	% of respondents
Decision was made by:		
Respondent self	83	69.2
Other person	37	30.8
Respondent self was the main decider:		
Agree	100	83.3
Disagree	20	16.7
Accompanying person(s) made the choice:		
Yes	44	36.7
No	76	63.3

Source: Field Survey, 2009

Table 4.18 shows the characteristics of the decision making process while purchasing TV sets. We have seen that all the respondents are either accompanied by someone or had gone alone to purchase TV sets. Hence in this regard, 83 respondents (69.2% of total respondents), the decision to purchase was made by respondents themselves, while 37 respondents responded by saying that the decision to purchase TV sets was made by other person of the family.

Similarly, regarding the main decider in purchasing TV sets, 100 respondents agree that they were the main decider while 20 respondents disagree that some other persons were the main decider in purchasing television sets.

Almost all respondents were accompanied by someone. More importantly, these persons were often the (co-) originator of the decision-making process and often help in identifying the appropriate product out of various alternatives available. Therefore, in this regard, only 44 respondents agreed that the choice of the brand was made by the accompanying person and 76 respondents disagreed that the accompanying person made the choice of the brand.

Similarly, the decision making of the respondents can be further characterized with the age group and the final decision maker. If we see at Appendix-F, out of 120 respondents, 42 respondents aged in between 21-30 agreed that they were the decision

maker. 9 respondents of this age group disagreed as the final decision maker. Likewise, 33 respondents aged in between 31-40 agreed that they were the final decision maker. 5 respondents disagreed in this context. Also 16 respondents aged in between 41-50 agreed while 5 respondents disagreed that they were the final decision maker. And 9 respondents aged in between 51-60 agreed that they were the final decision maker. Only 1 respondents of this age group disagreed.

If we look at Appendix-H, the characteristic of decision making is also affected by the respondents' sex. Out of 60 male respondents, 54 agreed that they made the final decision to purchase TV sets. Only 6 disagreed that they made the final decision. Also out of 60 female respondents, 46 agreed that they made the final decision and 14 disagreed that they made the final decision to purchase TV sets. Hence, we can say that both male and female respondents have made the final decision but male has upper hand than female while making final decision in household.

Similarly, by looking at Appendix-I, marital status of the respondents also characterized the decision making process. Out of 70 single respondents, 51 respondents made the decision to purchase TV sets, while 19 respondents responded that the decision to purchase TV sets were made by other person of family. Likewise, out of 50 married respondents, 32 respondents agreed that they made the decision to purchase TV sets, while 18 married respondents disagreed that they made the final decision. In overall out of 120 respondents, 83 respondents agreed that they made the final decision while 37 respondents disagreed that they made the final decision to purchase TV sets.

4.3 Chi-Square Test

The Chi-Square test is the most popular non-parametric test of significance in social science research. It is used to make comparison between two or more nominal variables. The test evaluates whether the difference between the observed frequencies and the expected frequencies under the null hypothesis can be attributed to chance or actual populations differences. So here some tests were conducted in order to find the relationship between the variables.

Chi-Square Test to identify the relationship between age group and the decision maker

Null Hypothesis: There is no relationship between the age group and the decision maker.

Alternate Hypothesis: There is a relationship between the age group and the decision maker.

Level of Significance: 0.05 (5%)

As per the Chi-square test, the tabulated value of Chi-square at 5% level of significance for 3 d. f. is 7.815. But the calculated value of Chi-square is 1.464 (Appendix-F), which is less than its tabulated value (i.e. 7.815). So Null hypothesis is accepted i.e. there is no relationship between the age group and the final decision maker. In other words, there is no age bar for the final decision making of purchasing television sets.

Chi-Square test to identify the relationship between the households' monthly income and the brand name

Null Hypothesis: There is no relationship between the households' monthly income and the brand name.

Alternate Hypothesis: There is a relationship between the household's monthly income and the brand name.

Level of Significance: 0.05 (5%)

The Chi-square test shows the calculated value of Chi-square as 51.733 (Appendix-G), which is greater than the tabulated value of 21.026 at 5% level of significance for 12 d.f. Therefore, the Null hypothesis is rejected i.e. there is a relationship between the household's monthly income and the brand name. In other words, the households having the higher monthly income have purchased a renowned television brands such as Sony, LG and Samsung.

Chi-square test to identify the relationship between the respondents' sex and their decision making for high involvement goods

Null Hypothesis: There is no relationship between the respondents' sex and their decision making for high involvement goods.

Alternate Hypothesis: There is a relationship between the respondents' sex and their decision making for high involvement goods.

Level of Significance: 0.05 (5%)

As per the Chi-square test, the tabulated value of Chi-square at 5% level of significance for 1 d. f. is 3.841. But the calculated value of Chi-square is 3.840 (Appendix-H), which is less than its tabulated value (i.e.3.841). So, the Null hypothesis is accepted i.e. there is no relationship between the respondents' sex and their decision making for high involvement goods. In other words, there is no disparity between the male and female respondents in the decision making for the high involvement goods.

Chi-square test to identify the relationship between the respondents' marital status and their final decision making for high involvement goods

Null Hypothesis: There is no relationship between the respondents' marital status and their final decision making for high involvement goods.

Alternate Hypothesis: There is a relationship between the respondents' marital status and their final decision making for high involvement goods.

Level of Significance: 0.05 (5%)

As per the Chi-square test, the tabulated value of Chi-square at 5% level of significance for 1 d. f. is 3.841. But the calculated value of Chi-square is 1.073 (Appendix-I), which is less than its tabulated value (i.e.3.841). So, the Null hypothesis is accepted i.e. there is no relationship between the marital status and as a final decision maker. In other words, both the married and unmarried respondents were the final decision maker while purchasing television sets.

4.4 Major Findings of the Study

The data analysis in this chapter of research reported started with the descriptive analysis of the respondents' profile such as marital status, sex, age groups, main activity, educational background, household size and monthly income of the household. Out of 120 respondents, 70 were unmarried and 50 were married. Both male and female respondents constitute 60-60 respondents. Likewise, about 42.5% respondents were aged between 21-30 years old whereas 31.7% respondents were aged between 31-40 years old. Rests are aged more then 40 years old. Most of the respondents were employed either in private or government offices. Majority of

respondents have the educational background of graduate level. Only handfuls of respondents are above post graduate. Majority of respondents has the household size of 3-5 family members. And most of the respondents have the income level of more than Rs.20000 a month.

Almost 82% respondents did have prior information before purchasing a TV sets. Most of the respondents were recommended to purchase TV sets by their family members, TV sets Dealers or from the TV sets consumers. Likewise, majority of respondents do prefer the quality and expensive TV sets such as Sony, LG, Samsung and Philips. Regarding the need recognizer to purchase TV sets in household, almost 32% respondents agreed that they themselves recognized the need to purchase TV sets, while 30% respondents responded that their father recognized the need to purchase TV sets. Similarly, the own experience or previous experience is the prime sources of need recognition for majority of respondents. Other sources of need recognition includes, neighbor, product importance, peer groups and so on. Also, the given sources do have equal influence on consumers regarding need recognition. Regarding the sources of information, most of the respondents visit the TV sets Dealers, while 31% respondents obtain information from friends or family members. Also, the consumers give equal emphasis on the interpersonal and external sources of information while purchasing television sets. Most of the respondents does visit dealers or consults with sales person and family before purchasing TV sets. The time spent on searching information before purchasing a TV sets in Kathmandu Valley is also very high. Most of the respondents do spent more time to ensure they are purchasing a right product. Regarding the purchase pals users, consumers do equally use the given types of purchase pals in order to make final purchase of TV sets. The respondents generally used the purchase pals to help them decide which one to buy from different brands and to make sure they are choosing the right TV sets for them. The size of evoked set for both the brands and models of television sets is rather small in size. Only 1-4 brands and models were taken as possible purchase candidates. In the process of evaluation of alternatives, the Nepalese television sets buyers found to have considered sound and picture as most important criteria for evaluation of different brands of television sets. Most of the respondents have considered warranty as most important purchasing factor, while prize schemes have been least considered in purchasing factor. Majority of respondents have made the decision to purchase TV

sets by themselves. Majority of respondents agreed that they were the main decider in the family to purchase TV sets. Although while purchasing TV sets all the respondents were accompanied by someone else but only 44 respondents agreed that the accompanying person made the choice of the brand.

Similarly, a Chi-square test was conducted to find the relationship between different variables while making a decision making process. There is a relationship between the age group and the final decision maker i.e. those respondents who have higher age makes the final decision. There is no relationship between the households' monthly income and the specific brand name. There is a relationship between the respondents' sex and as a decision maker i.e. most of the male respondents are the final decision maker. Similarly, the relationship between the marital status of respondents and a final decision maker does not have any relationship.

CHAPTER – V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The study of consumer behavior as a separate marketing discipline began when marketers realized that consumers did not always act or react as marketing theory suggested they would. Despite a sometimes consumers approach to fads and fashions, many consumers rebelled at using the identical products that everyone else used. Instead, they preferred differentiated products that they felt reflected their own special needs, personalities and lifestyles.

In marketing concept, consumer behavior is rooted when marketers began to realize that they could sell more goods, more easily, if they produced only those goods they had already determined that consumers buy instead of trying to customers to buy what the firm has already produced, marketing oriented firms found that it was a lot easier to produce only products they had first confirmed, through research, that consumers wanted., The study of consumer behavior focused on how individuals make decisions to spend their available resources (time, money, efforts) on consumption related items.

In addition to studying the consumer behavior, an attempt has been made in this research to study the buying behavior of Nepalese television buyers. The general objectives of this study were to examine the pattern of consumers' decision-making process for high involvement goods in Kathmandu valley. Specifically, researcher addresses the following issues.

- i. To examine the sources of information used by the consumers under high involvement purchase situation.
- ii. To ascertain the frequency of information sources used for high involvement product.
- iii. To determine the amount of time spent by the consumers on pre-purchase information seeking.
- iv. To examine the decision making criteria used by consumers in identification and evaluation of alternatives.

- v. To find out the decision making factors that are considered by the consumers while purchasing a durable product.

A consumers' decision process is a five steps process of problem recognition, information search, alternative evaluation, choice and outcome though the nature and type of problem solving varies with the type of product under consideration and other situational influences.

In order to understand the consumers' behavior, six comprehensive models were developed namely Nicosia model, Howard-Sheth model, Engel Kollat-Blackwell model, Bethman's Information Processing model Sheth-Newman Gross Model and Sheth Family Decision Making Model. Also, very few researches have been completed on consumer's behavior in Nepal, which are reported in the review of literature of consumer behavior.

Based on the findings of the past studies and the characteristics of Nepalese markets and consumers, researcher has developed some research questions about some of the major characteristics of strategies consumers use.

In this study data were obtained through personal interviews with recent television buyers. A detailed questionnaire was used which covered different aspects of decision process. The questionnaires were distributed to the respondents having a TV set in their household. The collected data were analyzed and interpreted by using statistical tools like Mean, Standard Deviation, Frequencies, Percentages and Range. Similarly, the developed hypotheses were tested by using statistical tool like Chi-square.

Similarly, based on the survey of Nepalese television sets buyers within Kathmandu Valley, following findings are made:

- a. Majority of the respondents did have prior information before purchasing a TV sets.
- b. The TV sets these respondents had bought has been recommended mainly by TV sets dealers, friends/family and TV sets consumers.
- c. Twelve brands of television sets are found to have purchased but the large majority of respondents are found to have purchased renowned brands of television such as Sony, Samsung, LG and Phillips.
- d. Most of the Nepalese television sets buyers recognized their need of purchasing television by themselves and from their parents (father).

- e. Among the different sources of need recognition, own experience, product importance and neighbors are those sources through which majority of respondents recognized the television sets buying need.
- f. Sources of information available to Nepalese television sets buyers have five dimensions, namely advertisements (radio, television and printed), interpersonal sources, dealers visits, sales persons and checking models and it is found that the Nepalese television sets buyers undertake information search with greater emphasis upon visiting TV sets dealers and interpersonal sources of information. But the advertisement has been given least emphasis.
- g. As regards to the frequency of sources utilization, the majority of Nepalese television sets buyers talks to sales person most frequently while purchasing television. Advertisement has been less frequently used.
- h. Two groups of buyers exist, one using the purchase pals and another not using them. The majority of respondents are found to have taken purchase pals along with them while doing information search and during final purchase of the television sets.
- i. Among the different types of purchase pals; friends, relatives and spouse (husband\ wife) are most commonly used purchase pals by the Nepalese television sets buyers.
- j. Most of the Nepalese television sets buyers used purchase pals to make sure that their chosen brands and to help them decide which one to buy from different brands.
- k. Despite of having the opportunity to consider wide range of brands and models as possible purchase candidates the Nepalese television sets buyers have rather small size of evoked set for both the brands and models of television sets.
- l. In the process of evaluation of alternatives, the Nepalese television sets buyers found to have considered sound and picture as most important criteria for evaluation of different brands of television sets.
- m. In case of purchasing factors, most of the respondents have considered warranty as most important purchasing factor, while prize schemes have been least considered in purchasing factor.
- n. Majority of respondents have made the decision to purchase TV sets by themselves.

- o. Majority of respondents agreed that they were the main decider in the family to purchase TV sets.
- p. Although while purchasing TV sets all the respondents were accompanied by someone else but only 44 respondents agreed that the accompanying person made the choice of the brand.
- q. There is a relationship between the age group and the final decision maker i.e. those respondents who have higher age makes the final decision.
- r. There is no relationship between the households' monthly income and the specific brand name i.e. even a lower income people is purchasing a brand like Sony, LG and Phillips
- s. There is a relationship between the respondents' sex and as a decision maker i.e. most of the male respondents are the final decision maker.
- t. The relationship between the marital status and the final decision making for high involvement goods does not show positive relationship in the final decision making.

5.2 Conclusion

While trying to gain insight into the decision making behavior of high involvement goods buyers of Nepal, the Nepalese marketing academicians and others are forced to use and assume the models of consumers behavior developed in other countries having quite different consumers, socio-economic and product-market situation than that of Nepal. Hence it is doubtful how far these models are able to explain the behavior of the consumers of Nepal.

So the present study in the area of consumer behavior receives added significance in a product market environment like that of Nepal characterized by low level of education, lack of buying alternatives and lack of sources of information. The present study of decision-making process of buyers of high involvement goods showed different results. The television buyers' decision process is mostly influenced by interpersonal sources (i.e. Friends and family members) rather than other sources. They have rather small size of evoked set for both brands and models of television and the Nepalese television buyers spent a very less time on pre-purchase information seeking.

Considering the fact that Nepal is composed of many diverse sub-markets, each with distinct characteristics, it may not be possible to generalize the results found with the consumer sample used in this study to other cities and areas in the country. As such, future research with a more diverse sample representing consumers from all regions of the country across different product categories is warranted.

5.3 Recommendations

On the basis of findings following recommendations can be made.

-) In the present study, despite of sincere efforts random sample of television sets buyers could not be obtained. So in another similar research on high involvement products it is beneficial to take random sample.
-) In order to understand the decision process of Nepalese buyers more efficiently, it is better to conduct same kind of research by using large samples than what researcher have used in the present study.
-) In a country like Nepal where a very few researches have been conducted on consumer behavior, it is beneficial if similar studies are carried out across a wide product categories to develop a theory of consumer behavior.
-) The Nepalese consumers don't use advertisement sources of information frequently. So it's better for consumers to get more use of advertisement as to get proper information about the product as well.
-) The time spent by majority of respondents is not so high. Therefore, the consumers are recommended to spend more time in obtaining information about the different brands and models of TV sets.
-) The use of purchase pals is very essential while purchasing high involvement goods like TV sets. But the use of purchase pals in Kathmandu Valley is not so high. Some respondents are purchasing goods without the help of purchase pals. Hence, these respondents are recommended to use purchase pals so as to ensure a better product for themselves.
-) The Nepalese television sets buyers have small size of evoked set. So the consumers should have big evoked set size to get the better product among different alternatives.
-) In the process of evaluation of alternatives, the Nepalese television sets buyers considered screen and picture as the most important evaluation criteria. But

it's better for consumers to considered brand image of TV sets in order to ensure quality product.

) Since the television sets buyers made purchase decision by considering warranty or guarantee factor, but the consumers should also consider after sales services, mode of payment and discount as major purchasing factors.

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